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2021 MAY 19 PM 3:53

APPLICATION OF SOUTHWESTERN  
ELECTRIC POWER COMPANY FOR  
AUTHORITY TO CHANGE RATES

§  
§  
§

BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS



REVENUE REQUIREMENT PHASE  
WORKPAPERS OF  
MARK FILAROWICZ  
RATE REGULATION DIVISION  
PUBLIC UTILITY COMMISSION OF TEXAS  
APRIL 7, 2021

**INDUSTRY TIMELINESS: 43 (of 96)**

All of the major electric utilities located in the central region of the United States are reviewed in this Issue; eastern electrics, in Issue 1; and the remaining utilities, in Issue 11.

In this Issue, we present our rankings of states' regulatory climates. The latest rankings include one change.

Electric utility stocks have fared better in recent weeks, but the prices of a majority of issues are down for the year—by more than 10%, for some equities. The group's dividend yield compares favorably with that of the market, but is still low, by historical standards.

**Ranking The Regulators**

A state's regulatory climate is an important factor for electric utilities. Every utility files rate cases from time to time. Companies also need regulatory approval for things such as large capital projects, mergers or acquisitions, and asset purchases. This is becoming even more important for companies that are making moves that will increase the proportion of income that comes from the regulated utility business. For example, *DTE Energy* plans to spin off its midstream natural gas division, and *Entergy* is selling or closing its nonregulated nuclear plants.

Investors should note that a state's regulatory climate does not only reflect the commission but the governor, legislature, and courts as well. Even so, the commission is clearly the most important factor.

Below, we show each state's regulatory climate, along with that of Washington, DC and the Federal Energy Regulatory Commission (FERC). Several states are not included: Nebraska, Nevada, Rhode Island, Tennessee, Utah, and Vermont. These states either are little-served by investor-owned utilities or do not have an electric company that is covered in *The Value Line Investment Survey*.

- **Above Average:** Alabama, Alaska, Colorado, Florida, Georgia, Idaho, Indiana, Massachusetts, Michigan, Ohio, Wisconsin, FERC.

- **Average:** Arizona, California, Delaware, Iowa, Kansas, Kentucky, Louisiana, Maine, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Virginia, Wyoming.

- **Below Average:** Arkansas, Connecticut, District of Columbia, Hawaii, Illinois, Maryland, Montana, New Mexico, New York, Washington, West Virginia.

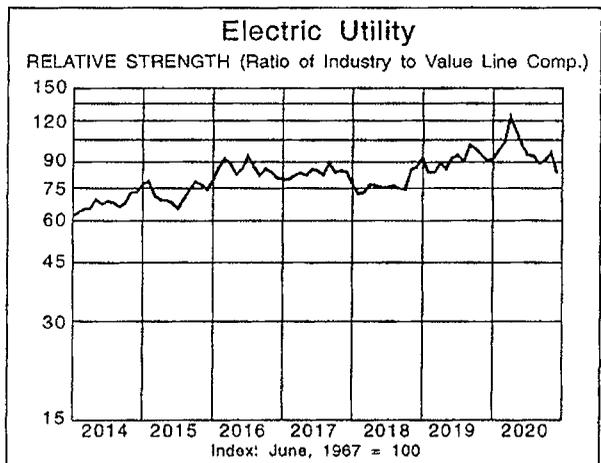
Since our last review of regulatory climates, we have lowered South Carolina from Above Average to Average. Duke Energy (reviewed in Issue 1) received a disappointing order in its last rate case. In addition, we are considering lowering Colorado to Average, lowering Virginia to Below Average, and raising Arkansas to Average. *Black Hills Corporation* has had poor outcomes in recent regulatory matters in Colorado. The company's utility in Colorado has a rate case pending there, and we

want to see the outcome before making a change. Also, Public Service of Colorado, a subsidiary of *Xcel Energy*, has fared better than *Black Hills* in the state in recent rate cases. Appalachian Power, a subsidiary of *American Electric Power*, just received a disappointing rate order that the utility appealed to the state Supreme Court. Utilities in Arkansas have benefited from the state's formula rate plan, which provides rate relief annually, in recent years. *Entergy*, *American Electric Power*, and *OGE Energy* have subsidiaries that serve the state. *Entergy* is asking for an extension of this regulatory plan. California bears watching, too, because of attitudes against fossil fuels that are growing in the Golden State. The treatment of wildfire-related costs is another cause for concern. At this time, though, we see no reason to make a change.

**Conclusion**

This has been a difficult year for most stocks in the Electric Utility Industry. Considering how well the group performed in 2019, a reversion to the mean would not have been surprising at all, even if 2020 wasn't such an unusual year. Although the industry is known for its defensive characteristics, these equities got caught up in the market plunge that began in late February. The recession caused some companies to cut their earnings guidance upon reporting first-quarter results. Some companies are also incurring costs directly or indirectly related to the coronavirus pandemic, such as increased bad-debt expense. *ALLETE* temporarily suspended its guidance, and has been one of the worst-performing stocks in the Electric Utility Industry in 2020. Most utility equities have recovered in price since then, but not as much as the broader market. Most of the utility issues reviewed in Issue 5 have risen in price since our September report, led by gains of 10% or more by *CenterPoint Energy* and *Entergy*. In an era of extremely low interest rates, electric utility stocks appeal to income-oriented investors for their generous dividend yields, along with the potential for dividend growth. The industry's average yield of 3.7% is well above the median of 2.1% for dividend-paying equities reviewed in *The Value Line Investment Survey*. However, many of these stocks are not cheap, and are trading within their 2023-2025 Target Price Range.

Paul E. Debbas, CFA



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# ALLETE NYSE-ALE

RECENT PRICE **56.24** P/E RATIO **16.4** (Trailing: 16.7; Median: 18.0) RELATIVE P/E RATIO **0.78** DIV'D YLD **4.6%** VALUE LINE **902**

**TIMELINESS** 3 Raised 12/11/20  
**SAFETY** 2 New 10/1/04  
**TECHNICAL** 4 Raised 11/27/20  
 BETA 85 (1.00 = Market)

High: 35.3 37.9 42.5 42.7 54.1 58.0 59.7 66.9 81.2 82.8 88.6 84.7  
 Low: 23.3 30.0 35.1 37.7 41.4 44.2 45.3 48.3 61.6 66.6 72.5 49.2

LEGENDS  
 0.73 x Dividends p sh divided by Interest Rate  
 Relative Price Strength  
 Options: Yes  
 Included in a index recession

18-Month Target Price Range  
 Low-High Midpoint (% to Mid)  
 \$44-\$107 \$76 (36%)

2023-25 PROJECTIONS

High	Price	Gain	Ann'l Total
Low	85	(+50%)	Return
65	(+15%)	8%	

Institutional Decisions

4Q2019	1Q2020	3Q2020	Percent
to Buy 158	124	141	shares
to Sell 120	154	136	traded
Hld's(000) 39235	38410	37540	5

% TOT. RETURN 11/20  
 THIS STOCK VL ARITH' INDEX  
 1 yr. -27.4 15.7  
 3 yr. -23.3 23.5  
 5 yr. 29.4 64.0

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	VALUE LINE PUB. LLC	23-25
25.30	24.50	25.23	27.33	24.57	21.57	25.34	24.75	24.40	24.60	24.77	30.27	27.01	27.78	29.10	23.99	22.20	23.60	Revenues per sh	25.75
2.97	3.85	4.14	4.42	4.23	3.57	4.35	4.91	5.01	5.35	5.68	6.79	7.08	6.59	7.37	7.24	7.25	7.75	"Cash Flow" per sh	9.25
1.35	2.48	2.77	3.08	2.82	1.89	2.19	2.65	2.58	2.63	2.90	3.38	3.14	3.13	3.38	3.33	3.20	3.50	Earnings per sh A	4.25
30	1.25	1.45	1.64	1.72	1.76	1.76	1.78	1.84	1.90	1.96	2.02	2.08	2.14	2.24	2.35	2.47	2.56	Div'd Decl'd per sh B = †	2.70
2.12	1.95	3.37	6.82	9.24	9.05	6.95	6.38	10.30	7.93	12.48	5.84	5.35	4.08	6.07	11.55	14.80	9.45	Cap'l Spending per sh	4.80
21.23	20.03	21.90	24.11	25.37	26.41	27.26	28.78	30.48	32.44	35.06	37.07	38.17	40.47	41.86	43.17	45.95	46.80	Book Value per sh C	51.25
29.70	30.10	30.40	30.80	32.60	35.20	35.80	37.50	39.40	41.40	45.90	49.10	49.60	51.10	51.50	51.70	52.00	52.50	Common Shs Outst'g D	54.25
25.2	17.9	16.5	14.8	13.9	16.1	16.0	14.7	15.9	18.6	17.2	15.1	18.6	23.0	22.2	24.7	24.7	24.7	Avg Ann'l P/E Ratio	18.0
1.33	.95	.89	.79	.84	1.07	1.02	.92	1.01	1.05	.91	.76	.98	1.16	1.20	1.32	1.32	1.32	Relative P/E Ratio	1.00
.9%	2.8%	3.2%	3.6%	4.4%	5.8%	5.0%	4.6%	4.5%	3.9%	3.9%	4.0%	3.6%	3.0%	3.0%	2.9%	2.9%	2.9%	Avg Ann'l Div'd Yield	3.7%

**CAPITAL STRUCTURE** as of 9/30/20  
 Total Debt \$2012.5 mill. Due in 5 Yrs \$712.6 mill.  
 LT Debt \$1608.0 mill. LT Interest \$65.6 mill.  
 (LT interest earned 3.4x)

Leases, Uncapitalized Annual rentals \$6.6 mill.

Pension Assets-12/19 \$699.6 mill.  
 Oblig \$854.0 mill.

Pfd Stock None

Common Stock 51,974,885 shs.

**MARKET CAP: \$2.9 billion (Mid Cap)**

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (RWH)	+8.4	-2	-1.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Res. per MWH (c)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	1599	1589	1573
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg)	NA	NA	NA

**BUSINESS:** ALLETE, Inc. is the parent of Minnesota Power, which supplies electricity to 146,000 customers in northeastern MN, & Superior Water, Light & Power in northwestern WI. Electric rev. breakdown: taconite mining/processing, 26%; paper/wood products, 9%; other industrial, 8%; residential, 12%; commercial, 13%; wholesale, 16% other, 16%. ALLETE Clean Energy (ACE) owns renewable energy projects. Acq'd U.S. Water Services 2/15; sold it 3/19. Generating sources: coal & lignite, 30%; wind, 11%, other, 5%; purchased, 54%. Fuel costs: 31% of revs. '19 deprec. rate: 3.3%. Has 1,400 employees. Chairman: Alan R. Hodnik. President & CEO: Bethany M. Owen, Inc. MN. Address: 30 West Superior St., Duluth, MN 55802-2093. Tel.: 218-279-5000. Internet: www.allete.com.

**ALLETE is facing a challenging operating environment.** The recession and the coronavirus problems have hurt the company's primary utility subsidiary, Minnesota Power, more than most electric companies because the utility has a smaller residential sector and a larger industrial sector. One of its industrial customers just restarted its facility this month, but another customer's plant remains shut. ALLETE Clean Energy (ACE), which invests in wind projects, is experiencing increased competition and pricing pressure. Profits are likely to decline in 2020 due in part to a \$0.16-a-share charge the company took in the second quarter for the refund of previously collected revenues. We include this in our earnings presentation even though management is excluding it from its guidance of \$3.25-\$3.45 a share. Considering all of these factors, the stock price has declined 31% in 2020, making this one of the worst-performing equities in this industry. We expect much higher earnings in 2021. The second-quarter comparison will be easy due to the revenue refund in 2020. Most of Minnesota Power's taconite cus-

tomers have submitted demand nominations (telling the utility how much electricity they expect to need) for full power for the first four months of 2021. ACE should benefit from a 303-megawatt project in Oklahoma that should be completed by yearend 2020 at a cost of \$450 million. Rate cases are likely upcoming in 2021. Filings were postponed from 2020 due to the effects of the weak economy. Minnesota Power expects to apply in November, and Superior Water, Light & Power will probably file sometime next year. These applications should raise ALLETE's earning power in 2022. We expect a dividend increase in the first quarter of 2021. This is the usual timing of a hike. We estimate a boost of \$0.09 a share (8.6%) in the annual disbursement. This would be smaller than in 2020 because the payout ratio is above ALLETE's targeted range of 60%-65%. The equity's dividend yield is about one percentage point above the utility average. Total return potential is above average for the next 18 months and decent for the 3- to 5-year period.

Paul E. Debbas, CFA December 11, 2020

Fixed Charge Cov (%) 339 296 277

**ANNUAL RATES** Past 5 Yrs. Est'd '17-'19 of change (per sh) 10 Yrs. '20-'25

	Past 5 Yrs.	Est'd '17-'19
Revenues	1.0%	-1.0%
"Cash Flow"	5.5%	4.5%
Earnings	2.5%	4.5%
Dividends	3.0%	4.0%
Book Value	5.0%	3.5%

**QUARTERLY REVENUES (\$ mill.)**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	365.6	353.3	362.5	337.9	1419.3
2018	358.2	344.1	348.0	448.3	1498.6
2019	357.2	290.4	288.3	304.6	1240.5
2020	311.6	243.2	293.9	306.3	1155
2021	325	285	305	325	1240

**EARNINGS PER SHARE A**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.97	.72	.88	.88	3.13
2018	.89	.81	.89	1.18	3.38
2019	1.18	.84	.80	.82	3.33
2020	1.28	.39	.78	.78	3.20
2021	1.40	.70	.75	.85	3.50

**QUARTERLY DIVIDENDS PAID B = †**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.52	.52	.52	.52	2.08
2017	.535	.535	.535	.535	2.14
2018	.58	.58	.58	.58	2.24
2019	.5875	.5875	.5875	.5875	2.35
2020	.6175	.6175	.6175	.6175	

(A) Diluted EPS, Excl. nonrec. gains (losses): '04, (25c); '05, (\$1.84); '15, (46c); '17, 25c; '19, 26c; gain (losses) on disc. ops.: '04, \$2.57; '05, (16c); '06, (2c); '18 & '19 EPS don't sum due to rounding. Next earnings report due early Feb. (B) Div's historically paid in early Mar., June, Sept. and Dec. = Div'd reinvest. plan avail. † Shareholder Invest. plan avail. (C) Incl. deferred charges. In '19: \$8.15/sh. (D) In mill. (E) Rate base: Orig. cost depr. Rate allowed in MN on com. eq. in '18: 9.25%; earned on avg. com. eq., '19: 7.9%. Regulatory Climate: Avg.

Company's Financial Strength A  
 Stock's Price Stability 95  
 Price Growth Persistence 80  
 Earnings Predictability 85

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# ALLIANT ENERGY NDQ-LNT

RECENT PRICE **52.60** P/E RATIO **22.5** (Trailing: 19.8 Median: 17.0) RELATIVE P/E RATIO **1.08** DIVD YLD **2.9%** VALUE LINE **903**

<b>TIMELINESS</b> 3 Lowered 7/3/20	High: 15.8 18.8 22.2 23.8 27.1 34.9 35.4 41.0 45.6 46.6 55.4 60.3	Target Price Range 2023 2024 2025
<b>SAFETY</b> 2 Raised 9/28/07	Low: 10.2 14.6 17.0 20.9 21.9 25.0 27.1 30.4 36.6 36.8 40.8 37.7	
<b>TECHNICAL</b> 1 Raised 12/11/20	<b>LEGENDS</b> 0.90 x Dividends p sh divided by Interest Rate Relative Price Strength 2-for-1 split 5/16 Options Yes Shaded area indicates recession	
<b>BETA</b> .85 (1.00 = Market)		
<b>18-Month Target Price Range</b>		
Low-High Midpoint (% to Mid)		
\$43-\$91 \$67 (25%)		
<b>2023-25 PROJECTIONS</b>		
High Price Gain Ann'l Total		
Low 40 55 (+5%) 4%		
40 40 (-25%) -3%		
<b>Institutional Decisions</b>		
402019 102020 202020		
To Buy 272 236 227		
To Sell 209 272 258		
Hold 188011 182284 186056		
Percent shares traded 24 16 8		
% TOT. RETURN 11/20		
THE STOCK VS. ARITH. INDEX		
1 yr. 1.4 15.7		
3 yr. 26.7 23.5		
5 yr. 102.6 84.0		

Alliant Energy, formerly called Interstate Energy Corporation, was formed on April 21, 1998 through the merger of WPL Holdings, IES Industries, and Interstate Power. WPL stockholders received one share of Interstate Energy stock for each WPL share, IES stockholders received 1.14 Interstate Energy shares for each IES share, and Interstate Power stockholders received 1.11 Interstate Energy shares for each Interstate Power share.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Revenues per sh	15.65
	15.40	16.51	13.94	14.77	15.10	14.34	14.58	14.62	14.97	14.89	14.60	14.90	4.95	5.25
	2.60	2.75	2.95	3.34	3.44	3.45	3.45	3.10	4.32	4.59	4.75	4.75	4.95	5.25
	1.38	1.38	1.53	1.65	1.74	1.69	1.65	1.99	2.19	2.33	2.45	2.60	2.60	3.00
	.79	.85	.90	.94	1.02	1.10	1.18	1.26	1.34	1.42	1.52	1.61	1.61	1.96
	3.91	3.03	5.22	3.32	3.78	4.25	5.26	6.34	6.34	6.28	5.50	5.05	5.05	5.15
	13.05	13.57	14.12	14.79	15.54	16.41	16.96	17.21	19.43	21.24	23.60	24.35	24.35	28.45
	221.79	222.04	221.97	221.89	221.87	226.92	227.67	231.35	236.06	245.02	250.00	255.00	255.00	265.00
	12.5	14.5	14.5	15.3	16.6	18.1	22.3	20.6	19.1	21.2	21.2	21.2	21.2	16.0
	.80	.91	.92	.86	.87	91.1	1.17	1.04	1.03	1.19	1.19	1.19	1.19	.90
	4.6%	4.3%	4.1%	3.7%	3.5%	3.6%	3.2%	3.1%	3.2%	2.9%	2.9%	2.9%	2.9%	4.1%

<b>CAPITAL STRUCTURE</b> as of 9/30/20	3416.1	3665.3	3094.5	3276.8	3350.3	3253.6	3320.0	3382.2	3534.5	3647.7	3650	3800	Revenues (\$mill)	4150
Total Debt \$7003.0 mill. Due in 5 Yrs \$1500.0 mill.	303.9	304.4	337.8	382.1	385.5	380.7	373.8	455.9	512.1	557.2	610	655	Net Profit (\$mill)	790
LT Debt \$5574.0 mill. LT Interest \$240.0 mill. (LT Interest earned: 2.9%)	30.1%	19.0%	21.5%	12.4%	10.1%	15.3%	13.4%	12.5%	8.4%	10.8%	NMF	NMF	Income Tax Rate	11.0%
	46.3%	45.7%	48.4%	46.1%	49.7%	48.6%	52.8%	49.0%	53.4%	51.5%	52.0%	52.0%	AFUDC % to Net Profit	7.5%
<b>Pension Assets</b> -12/19 \$930.4 mill. Oblig. \$1279.7 mill.	49.5%	50.9%	48.4%	50.8%	47.5%	51.4%	47.2%	48.6%	48.6%	48.5%	48.0%	48.0%	Long-Term Debt Ratio	52.0%
<b>Pfd Stock</b> \$400.0 mill. Pfd Div'd \$10.2 mill. 16,000,000 shs.	5840.8	5921.2	6476.6	6461.0	7257.2	7246.3	8177.6	8192.8	9632.0	10226	10500	11000	Common Equity Ratio	48.0%
	6730.6	7037.1	7838.0	7147.3	6442.0	8970.2	9809.9	10798	12031	13527	14000	15000	Total Capital (\$mill)	12500
	6.6%	6.4%	6.3%	7.0%	6.3%	6.3%	5.6%	6.8%	6.3%	4.1%	6.0%	6.0%	Net Plant (\$mill)	18000
<b>Common Stock</b> 249,760,663 shs	9.7%	9.5%	10.1%	11.0%	10.6%	10.2%	9.7%	10.9%	11.2%	10.7%	10.5%	10.5%	Return on Total Cap'l	6.5%
	9.9%	9.5%	10.3%	11.3%	10.9%	10.2%	9.7%	6.4%	11.2%	10.7%	10.5%	10.5%	Return on Shr. Equity	10.5%
	3.8%	3.3%	3.9%	4.9%	4.3%	3.6%	2.8%	4.0%	4.4%	4.2%	4.0%	4.0%	Return on Com Equity	10.5%
<b>MARKET CAP:</b> \$13.1 billion (Large Cap)	64%	67%	64%	57%	61%	65%	71%	63%	61%	61%	62%	63%	Retained to Com Eq	3.5%
	64%	67%	64%	57%	61%	65%	71%	63%	61%	61%	62%	63%	All Div's to Net Prof	65%

<b>ELECTRIC OPERATING STATISTICS</b>	2017	2018	2019
% Change Retail Sales (KWh)	-1.0	+2.0	-2.2
Avg. Indust. Use (MWh)	11769	11830	11448
Avg. Indust. Res. per KWh (¢)	7.16	7.25	6.98
Capacity at Peak (Mw)	5375	5459	5626
Peak Load, Summer (Mw)	5375	5459	5626
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+4	+4	+6
<b>Fixed Charge Cov. (%)</b>	319	322	324

**BUSINESS:** Alliant Energy Corp., formerly named Interstate Energy, is a holding company formed through the merger of WPL Holdings, IES Industries, and Interstate Power. Supplies electricity, gas, and other services in Wisconsin, Iowa, and Minnesota. Elect. revs. by state: WI, 42%; IA, 57%; MN, 1%. Elect. rev.: residential, 34%; commercial, 29%; industrial, 28%; wholesale, 7%; other, 2%. Fuel sources, 2019: coal, 27%; gas, 34%; other, 39%. Fuel costs: 41% of revs. 2019 depreciation rate: 5.9%. Estimated plant age: 17 years. Has approximately 3,597 employees. Chairman & Chief Executive Officer: John O. Larsen. Incorporated: Wisconsin. Address: 4902 N. Billmore Lane, Madison, Wisconsin 53718. Telephone: 608-458-3311. Internet: www.alliantenergy.com.

<b>ANNUAL RATES</b> Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 of change (per sh)	10 Yrs.	5 Yrs.	17-'19
Revenues	-5%	-5%	1.0%
"Cash Flow"	4.5%	3.5%	4.5%
Earnings	5.0%	5.0%	5.5%
Dividends	7.0%	7.0%	7.0%
Book Value	4.0%	5.0%	6.5%

<b>QUARTERLY REVENUES (\$ MILL.)</b>	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	853.9	765.3	906.9	856.1	3382.2	
2018	916.3	816.1	928.6	873.5	3534.5	
2019	987.2	790.2	990.2	880.1	3647.7	
2020	915.7	763.1	920.0	1051.2	3650	
2021	1000	890	970	940	3800	

<b>EARNINGS PER SHARE</b>	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.44	.41	.73	.41	1.99	
2018	.52	.43	.87	.37	2.19	
2019	.53	.40	.94	.46	2.33	
2020	.72	.54	.94	.25	2.45	
2021	.62	.53	1.00	.45	2.60	

<b>QUARTERLY DIVIDENDS PAID</b>	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.295	.295	.295	.295	1.18	
2017	.315	.315	.315	.315	1.26	
2018	.335	.335	.335	.335	1.34	
2019	.355	.355	.355	.355	1.42	
2020	.38	.38	.38	.38	1.52	

**THE IOWA SERVICE AREA WAS HIT BY A DERECHO IN LATE AUGUST.** The wind storm caused considerable damage to the company's electric distribution system, resulting in over 250,000 customers losing power. Repair and restoration efforts are currently ongoing, and LNT's estimate of the total cost of the weather event stands at approximately \$140 million. Although this will mostly impact 2020 figures (earnings guidance incorporated expected Derecho-related costs), leadership is anticipating a modest sales headwind in the affected areas through the first half of 2021.

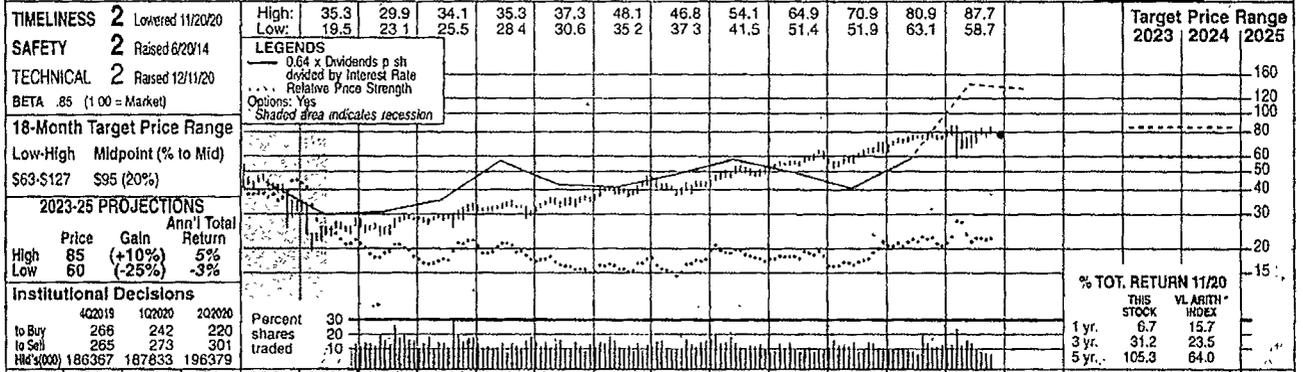
**The board of directors raised the dividend in November.** This has been the pattern in recent years. The increase was \$0.0225 a share (6%) quarterly, slightly less than last year's expansion. Alliant is targeting a payout ratio of 60%-70%.

**Alliant continues to bet big on renewables.** In 2020, the company will generate approximately 34% of its energy from renewables, with much of that coming from wind power. Coal-fired generation currently stands at 25%, though management intends to reduce that number to the low single digits by 2030. Natural gas, at 41% of the energy mix, is expected to stay roughly the same over the next five years.

**This stock does not stand out.** The dividend yield is below average for an electric utility, and capital appreciation potential out to 2023-2025 is flat to negative.

*Daniel Henigson, CFA December 11, 2020*

**AMEREN NYSE-AEE** RECENT PRICE **77.78** P/E RATIO **22.7** (Trailing: 22.7) RELATIVE P/E RATIO **1.09** DIV'D YLD **2.7%** VALUE LINE **904**



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
26.43	33.12	33.30	36.23	36.92	29.87	31.77	31.04	28.14	24.06	24.95	25.13	25.04	25.46	25.73	24.00	22.65	23.65	23.65	23.65	23.65	23.65
5.57	6.10	6.02	6.76	6.44	6.06	6.33	5.87	5.87	5.25	5.77	6.08	6.59	6.80	7.64	7.83	8.15	8.80	8.80	8.80	8.80	8.80
2.82	3.13	2.66	2.98	2.88	2.78	2.47	2.41	2.10	2.40	2.40	2.38	2.68	2.77	3.32	3.35	3.45	3.70	3.70	3.70	3.70	3.70
2.54	2.54	2.54	2.54	2.54	1.54	1.54	1.54	1.54	1.60	1.61	1.66	1.72	1.78	1.85	1.92	2.00	2.09	2.09	2.09	2.09	2.09
4.13	4.63	4.99	6.96	9.75	7.51	4.66	4.50	5.49	5.87	7.66	8.12	8.78	9.05	9.56	9.92	15.85	11.65	11.65	11.65	11.65	11.65
29.71	31.09	31.86	32.41	32.80	33.08	32.64	27.27	26.97	27.67	28.63	29.27	29.61	31.21	32.73	35.70	37.75	37.75	37.75	37.75	37.75	37.75
195.20	204.70	206.60	208.30	212.30	237.40	240.40	242.60	242.63	242.63	242.63	242.63	242.63	242.63	244.50	246.20	254.00	258.00	258.00	258.00	258.00	258.00
16.3	16.7	19.4	17.4	14.2	9.3	9.7	11.9	13.4	16.5	16.7	17.5	18.3	20.6	18.3	22.1	20.6	20.6	20.6	20.6	20.6	20.6
.86	.89	1.05	.92	.85	.62	.62	.75	.85	.93	.88	.88	.96	1.04	.99	1.18	1.18	1.18	1.18	1.18	1.18	1.18
5.5%	4.9%	4.9%	4.9%	6.2%	6.0%	5.8%	5.3%	5.0%	4.6%	4.0%	4.0%	3.5%	3.1%	3.0%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$1080.1 mill. Due in 5 Yrs \$2317 mill.  
 LT Debt \$1017.2 mill. LT Interest \$456 mill.  
 (LT interest earned: 3.3x)  
 Leases, Uncapitalized Annual rentals \$8 mill.  
 Pension Assets-12/19 \$456.4 mill.  
 Oblig \$496.7 mill.  
 Pfd Stock \$142 mill. Pfd Div'd \$6 mill.  
 807,595 sh. \$3.50 to \$5.50 cum. (no par), \$100 stated val., redeem. \$102.176-\$110/sh.; 616,323 sh. 4.00% to 6.625%, \$100 par, redeem. \$100-\$104/sh.  
 Common Stock 247,206,978 shs. as of 10/30/20  
 MARKET CAP: \$19 billion (Large Cap)

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (KWh)	-3.4	+5.6	-3.5
Avg. Indust. Use (MWh)	NA	NA	NA
Avg. Indust. Revs. per MWh (¢)	NA	NA	NA
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA

**ANNUAL RATES**

	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19
Revenues	-3.0%	-5%	-5%
"Cash Flow"	1.5%	5.5%	6.0%
Earnings	1.0%	6.5%	6.0%
Dividends	-2.0%	3.0%	5.0%
Book Value	-5%	2.5%	6.0%

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1514	1538	1723	1402	6177.0
2018	1585	1563	1724	1419	6291.0
2019	1556	1379	1659	1316	5910.0
2020	1440	1398	1628	1284	5750
2021	1600	1450	1700	1350	6100

**EARNINGS PER SHARE A**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.42	.79	1.18	.39	2.77
2018	.62	.97	1.45	.28	3.32
2019	.78	.72	1.47	.38	3.35
2020	.59	.98	1.47	.41	3.45
2021	.65	.90	1.70	.45	3.70

**QUARTERLY DIVIDENDS PAID B**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.425	.425	.425	.44	1.72
2017	.44	.44	.44	.4575	1.78
2018	.4575	.4575	.4575	.475	1.85
2019	.475	.475	.475	.495	1.92
2020	.495	.495	.495	.515	

**BUSINESS:** Ameren Corporation is a holding company formed through the merger of Union Electric and CIPSCO. Has 1.2 million electric and 127,000 gas customers in Missouri; 1.2 million electric and 813,000 gas customers in Illinois. Discontinued nonregulated power-generation operation in '13. Electric revenue breakdown: residential, 43%; commercial, 32%; industrial, 6%; other, 17%.

**We trimmed our 2020 earnings estimate for Ameren by \$0.05 a share, to \$3.45.** Third-quarter profits were slightly below our expectation. Even so, earnings should still wind up above the 2019 tally, despite the negative effects of the recession on kilowatt-hour sales in Missouri, and coronavirus-related expenses. (Ameren Illinois operates under a regulatory mechanism that decouples revenues and volume.) Among the positive factors are an electric rate hike that took effect in Missouri on April 1st and investments in the electric transmission business. Our revised estimate is within Ameren's targeted range of \$3.40-\$3.55 a share, which was adjusted from \$3.40-\$3.60 when third-period results were reported in November. **A rate case is pending in Illinois.** Ameren is seeking a gas increase of \$97 million (including \$46 million that would otherwise be recovered through riders on customers' bills), based on a 10.5% return on equity and a common-equity ratio of 54.1%. The staff of the Illinois Commerce Commission recommended a \$69 million increase, based on a 9.32% ROE and a 50.4% common-equity ratio, and other in-

Generating sources: coal, 63%; nuclear, 23%; hydro & other, 6%; purchased, 8%. Fuel costs: 24% of revenues. '19 reported deprec. rates: 3%-4%. Has 9,300 employees. Chairman, President & CEO: Warner L. Baxler, Inc., Missouri. Address: One Ameren Plaza, 1901 Chouteau Ave., P.O. Box 66149, St. Louis, Missouri 63166-6149. Tel.: 314-621-3222. Internet: www.ameren.com.

tervenors proposed a hike that was slightly less favorable than the staff recommendation. An order is due by January, with new tariffs taking effect in February. This, along with a better economy, should produce higher profits in 2021. **Ameren is building a wind project.** The company will add 700 megawatts of capacity at a cost of \$1.2 billion. Most of this will be completed by yearend, but a portion of the spending (\$200 million) will slip into the first quarter of 2021. **The board of directors raised the dividend in the fourth quarter.** The increase was two cents a share (4.0%) quarterly, the same as last year. Ameren's goal for the payout ratio is 55%-70%, and this figure remains near the lower end. **This timely stock has been one of the top performers among utilities in 2020.** The price has risen slightly in what has been a bad year for most electric utility issues, as investors like Ameren's stability. The dividend yield is a percentage point below the utility mean. Total return potential has appeal for the 18-month span, but is low for the 2023-2025 period. *Paul E. Debbas, CFA December 11, 2020*

(A) Dil. EPS. Excl. nonrec. gain (losses): '05, (1c); '10, (\$2.19); '11, (32c); '12, (\$6.42); '17, (63c); gain (loss) from disc. ops.: '13, (92c); '15, 21c. '17 EPS don't sum due to rounding. Next eps. report due mid-Feb. (B) Div'ds pd. late Mar., June, Sept., & Dec. = Div'd reinv. plan avail. (C) Incl. intang. In '19: \$5.70/sh. (D) In mill. (E) Rate base = Org. cost depr. Rate all'd on com. eq. in MO in '20: elec., none; in '11: gas, none; in IL in '14: elec., 8.7%; in '18: gas, 9.87%; earned on avg. com. eq., '19: 10.5%. Reg. Cmlstr: MO, Avg.; IL, Below Avg. Company's Financial Strength A Stock's Price Stability 95 Price Growth Persistence 80 Earnings Predictability 90

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# AMERICAN ELEC. PWR. NDQ-AEP

RECENT PRICE **84.89** P/E RATIO **18.9** (Trailing: 20.9 Median: 15.0) RELATIVE P/E RATIO **0.90** DIV'D YLD **3.5%** VALUE LINE **905**

<b>TIMELINESS</b> 3 Lowered 5/6/19	High: 36.5	37.9	41.7	45.4	51.6	63.2	65.4	71.3	78.1	81.1	86.2	105.0	Target Price Range																	
<b>SAFETY</b> 1 Raised 3/17/17	Low: 24.0	28.2	33.1	37.0	41.8	45.8	52.3	56.8	61.8	62.7	72.3	85.1	2023 2024 2025																	
<b>TECHNICAL</b> 3 Raised 11/27/20	<p>LEGENDS</p> <p>0.67 x Dividends p sh divided by Interest Rate</p> <p>Relative Price Strength</p> <p>Options: Yes</p> <p>Shaded area indicates recession</p>																													
<b>BETA</b> .75 (1.00 = Market)	<p>10-Month Target Price Range</p> <p>Low-High Midpoint (% to Mid)</p> <p>\$70-\$143 \$107 (25%)</p>																													
<p>2023-25 PROJECTIONS</p> <table border="1"> <tr> <th>High</th> <th>Price</th> <th>Gain</th> <th>Ann'l Total</th> </tr> <tr> <td>105</td> <td>105</td> <td>(+25%)</td> <td>Return</td> </tr> <tr> <td>85</td> <td>85</td> <td>(Nil)</td> <td>9%</td> </tr> <tr> <td></td> <td></td> <td></td> <td>4%</td> </tr> </table>													High	Price	Gain	Ann'l Total	105	105	(+25%)	Return	85	85	(Nil)	9%				4%		
High	Price	Gain	Ann'l Total																											
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<p>Institutional Decisions</p> <table border="1"> <tr> <th>402619</th> <th>102020</th> <th>202021</th> </tr> <tr> <td>to Buy</td> <td>549</td> <td>483</td> </tr> <tr> <td>to Sell</td> <td>459</td> <td>594</td> </tr> <tr> <td>Net Buy</td> <td>370323</td> <td>370792</td> </tr> <tr> <td>Percent shares traded</td> <td>24</td> <td>16</td> </tr> <tr> <td></td> <td>8</td> <td>8</td> </tr> </table>													402619	102020	202021	to Buy	549	483	to Sell	459	594	Net Buy	370323	370792	Percent shares traded	24	16		8	8
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<p>% TOT. RETURN 11/20</p> <table border="1"> <tr> <th>THIS STOCK</th> <th>VL ARMT<sup>1</sup> INDEX</th> </tr> <tr> <td>1 yr.</td> <td>-4.7</td> </tr> <tr> <td>3 yr.</td> <td>20.1</td> </tr> <tr> <td>5 yr.</td> <td>78.4</td> </tr> </table>													THIS STOCK	VL ARMT <sup>1</sup> INDEX	1 yr.	-4.7	3 yr.	20.1	5 yr.	78.4										
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2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	VALUE LINE PUB. LLC	23-21
35.51	30.76	31.82	33.41	35.56	28.22	30.01	31.27	30.77	31.48	34.78	33.51	33.31	31.35	32.84	31.49	29.80	30.95	Revenues per sh	32.0
5.89	5.96	6.67	6.80	6.84	6.32	6.29	6.83	6.92	7.02	7.57	7.98	8.47	7.95	8.77	9.35	9.75	10.40	"Cash Flow" per sh	11.7
2.61	2.64	2.88	2.86	2.99	2.97	2.60	3.13	2.98	3.18	3.34	3.59	4.23	3.62	3.90	4.08	4.30	4.65	Earnings per sh <sup>A</sup>	5.9
1.40	1.42	1.50	1.58	1.64	1.64	1.71	1.85	1.88	1.95	2.03	2.15	2.27	2.39	2.53	2.71	2.84	3.00	Div'd Decl'd per sh <sup>B</sup>	3.5
4.28	6.11	8.89	8.88	9.83	6.19	5.07	5.74	6.45	7.75	8.68	9.37	9.98	11.79	12.89	12.43	12.40	15.35	Cap'l Spending per sh	13.2
21.32	23.08	23.73	25.17	26.33	27.49	28.33	30.33	31.37	32.98	34.37	36.44	35.38	37.17	38.58	39.73	41.40	43.65	Book Value per sh <sup>C</sup>	52.9
395.86	393.72	396.67	400.43	406.07	478.05	480.81	483.42	485.67	487.78	489.40	491.05	491.71	492.01	493.25	494.17	497.00	504.00	Common Shs Outst'g <sup>D</sup>	540.0
12.4	13.7	12.9	16.3	13.1	10.0	13.4	11.9	13.8	14.5	15.9	15.8	15.2	19.3	18.0	21.4	20.0	17.0	Avg Ann'l P/E Ratio	17.
.66	.73	.70	.87	.79	.67	.85	.75	.88	.81	.84	.80	.80	.97	.97	1.14	1.14	1.14	Relative P/E Ratio	.9
4.3%	3.9%	4.1%	3.4%	4.2%	5.5%	4.9%	5.0%	4.6%	4.2%	3.8%	3.6%	3.5%	3.4%	3.6%	3.1%	3.1%	3.1%	Avg Ann'l Div'd Yield	3.7%

**CAPITAL STRUCTURE** as of 9/30/20  
 Total Debt \$30553 mill. Due in 5 Yrs \$11460 mill.  
 LT Debt \$28156 mill. LT Interest \$1154 mill.  
 Incl. \$918 mill. securitized bonds. Incl. \$907 mill. capitalized leases.  
 (LT interest earned: 2.4x)  
 Leases, Uncapitalized Annual rentals \$269.9 mill  
 Pension Ass'ts-12/19 \$5015.4 mill.  
 Pfd Stock None  
 Oblig \$5236.8 mill.

Common Stock 496,386,252 shs. as of 10/22/20  
 MARKET CAP: \$42 billion (Large Cap)

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (kWh)	-1.6	+3.0	-2.2
Avg. Indust. Use (kWh)	NA	NA	NA
Avg. Indust. Res. per kWh (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	+3

Fixed Charge Cov. (%) 354 254 234

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 of change (per sh)

Revenues	-	-5%	5%
"Cash Flow"	2.5%	4.0%	5.0%
Earnings	3.0%	4.0%	6.0%
Dividends	4.5%	5.5%	5.5%
Book Value	4.0%	3.0%	5.5%

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	3933	3576	4104	3810	15424
2018	4048	4013	4333	3801	16195
2019	4056	3573	4315	3616	15561
2020	3748	3494	4066	3492	14800
2021	4100	3600	4300	3600	15600

**EARNINGS PER SHARE<sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.94	.76	1.11	.81	3.62
2018	.92	1.07	1.17	.74	3.90
2019	1.16	.93	1.48	.51	4.08
2020	1.00	1.05	1.50	.75	4.30
2021	1.15	1.10	1.60	.80	4.65

**QUARTERLY DIVIDENDS PAID<sup>B</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.56	.56	.56	.59	2.27
2017	.59	.59	.59	.62	2.39
2018	.62	.62	.62	.67	2.53
2019	.67	.67	.67	.70	2.71
2020	.70	.70	.70	.74	

**BUSINESS:** American Electric Power Company Inc. (AEP), through 10 operating utilities, serves 5.5 million customers in Arkansas, Kentucky, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, & West Virginia. Has a transmission subsidiary. Electric revenue breakdown: residential, 42%; commercial, 24%; industrial, 19%; wholesale, 11%; other, 4%. Sold Houston

**American Electric Power should post solid earnings growth in 2020 and 2021.** Rate relief and increased investment in electric transmission are two key factors. The company's utilities frequently have rate cases pending (see below). AEP also spends significant sums on transmission, some of which is recovered through a forward-looking regulatory mechanism. In fact, the company's capital budget calls for over \$16 billion of spending on electric transmission from 2021 through 2025. Our 2020 and 2021 share-net estimates are within management's targeted ranges of \$4.25-\$4.45 and \$4.51-\$4.71, respectively. **The company received a rate order in Virginia, and applications are pending in three states.** Appalachian Power filed for \$65 million, based on a 9.9% return on equity and a 50% common-equity ratio. The regulators granted no increase, based on a 9.2% ROE and the same common-equity ratio. The utility promptly appealed the decision to the Virginia Supreme Court. AEP is trying to reach a settlement in Ohio, where is filed for \$36 million, based on a 10.15% ROE and a 54.4% common-equity ratio. Kentucky

Pipeline '05; commercial barge operation in '15. Generating sources not available. Fuel costs: 33% of revenues. '19 reported depreciation rates (utility): 1.8%-9.5%. Has 16,900 employees. Chairman, President & CEO: Nicholas K. Akins Incorporated; New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2372; Telephone: 614-716-1000. Internet: www.aep.com.

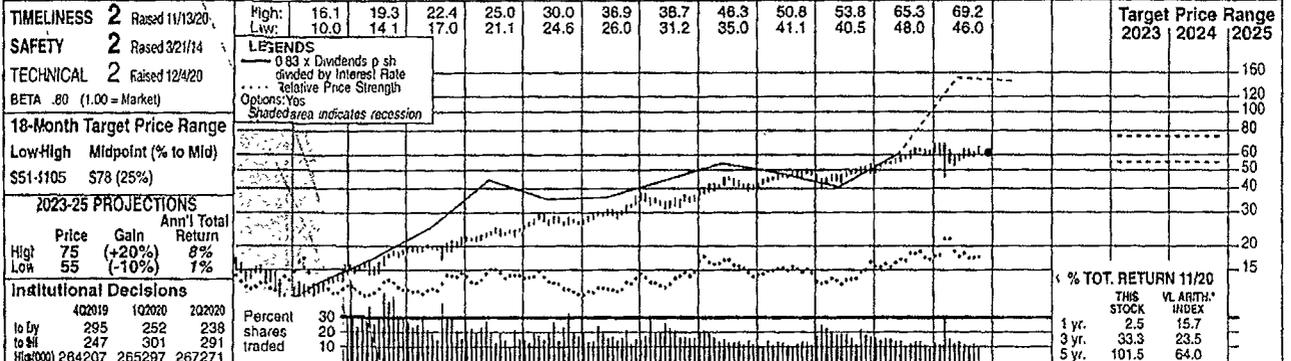
Power requested a \$65 million hike, based on a 10% ROE and a 43.3% common equity ratio. New tariffs are expected to take effect in January. SWEPCO asked the Texas commission to raise rates by \$9( million (excluding \$15 million currently being recovered through riders on customers' bills), based on a 10.35% ROE and 49.4% common-equity ratio. The company expects an order by the end of 2021, with new rates taking effect shortly after the decision.

**The board of directors raised the dividend in the fourth quarter.** This is the usual timing of increases for AEP. As we had estimated, the board boosted the quarterly disbursement \$0.04 a share (5.7%). The company's goals for the dividend area growth rate of 5%-7% (in line with pret growth) and a payout ratio of 60%-70%. **This top-quality equity has a dividend yield that is about equal to the utility average.** Total return potential is attractive for the 18-month period, but un spectacular for the pull to 2023-2025. The recent price is near the lower end of our 2023-2025 Target Price Range.

(A) Diluted EPS. Excl. nonrec. gains (losses): '04, 24¢; '05, (62¢); '06, (20¢); '07, (20¢); '08, 40¢; '10, (7¢); '11, 89¢; '12, (38¢); '13, (14¢); '16, (\$2.99); '17, 26¢; '19, (20¢); disc. ops.: '04, 15¢; '05, 7¢; '06, 2¢; '08, 3¢; '15, 58¢; '16, (1¢). Next earnings report due late Feb. (B) Div'ds paid early Mar., June, Sept., & Dec. (C) Div'd reinvestment plan avail. (C) Incl. Intang. Regulatory Climate: Average.

# CMS ENERGY CORP. NYSE-CMS

RECENT PRICE **61.54** P/E RATIO **22.2** (Trailing: 23.0 Median: 18.0) RELATIVE P/E RATIO **1.06** DIV'D YLD **2.8%** VALUE LINE **906**



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2.06	28.52	30.57	28.95	30.13	27.23	25.71	25.59	23.90	24.68	26.09	23.29	22.92	23.37	24.25	24.11	22.80	23.45
2.87	3.43	3.22	3.08	3.88	3.47	3.70	3.65	3.82	4.06	4.22	4.59	4.88	5.29	5.61	5.89	6.30	6.65
.74	1.10	.64	.64	1.23	.93	1.33	1.45	1.53	1.66	1.74	1.89	1.98	2.17	2.32	2.39	2.65	2.85
..	..	..	.20	.36	.50	.66	.84	.96	1.02	1.08	1.16	1.24	1.33	1.43	1.53	1.63	1.74
2.69	2.69	3.01	5.61	3.50	3.59	3.29	3.47	4.65	4.98	5.73	5.64	5.99	5.91	7.32	7.41	8.20	9.85
0.63	10.53	10.03	-8.46	10.88	11.42	11.19	11.92	12.09	12.98	13.34	14.21	15.23	15.77	16.78	17.68	19.40	20.85
16.00	220.50	222.78	225.15	226.41	227.89	249.60	254.10	264.10	266.10	275.20	277.16	279.21	281.65	283.37	283.86	287.00	290.00
12.4	12.6	22.2	26.8	10.9	13.6	12.5	13.8	15.1	16.3	17.3	18.3	20.9	21.3	20.3	24.3	24.3	24.3
..	..	1.20	1.42	.66	.91	.80	.85	.96	.92	.91	.92	1.10	1.07	1.10	1.30	1.30	1.30
..	..	..	1.2%	2.7%	4.0%	4.0%	4.3%	4.2%	3.8%	3.6%	3.4%	3.0%	2.9%	3.0%	2.6%	2.6%	2.6%

CAPITAL STRUCTURE as of 9/30/20		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Debt \$15135 mill. Due in 5 Yrs \$4549 mill.	LT Interest \$573 mill.	6432.0	6503.0	6812.0	8566.0	7179.0	6456.0	6399.0	6583.0	6673.0	6845.0	6550	6100	659.0	682.0	765	830	830	830
Debt \$13336 mill. LT Interest \$573 mill.	Capitalized leases.	356.0	384.0	413.0	454.0	479.0	525.0	553.0	610.0	659.0	682.0	765	830	830	830	830	830	830	830
Interest earned: 2.9x	Uncapitalized Annual rentals \$11 mill.	38.1%	36.8%	39.4%	39.9%	34.3%	34.0%	33.1%	31.2%	14.9%	17.7%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
Consolidated Assets-12/19 \$2546 mill.	Consolidated Liabilities-12/19 \$2546 mill.	2.2%	2.6%	2.9%	2.0%	2.3%	2.7%	3.1%	1.1%	1.4%	2.1%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Consolidated Equity-12/19 \$2546 mill.	Consolidated Debt-12/19 \$2546 mill.	70.1%	66.9%	67.9%	67.5%	68.7%	68.3%	67.1%	67.3%	69.0%	70.4%	69.5%	69.0%	69.0%	69.0%	69.0%	69.0%	69.0%	69.0%
Consolidated Cash-12/19 \$2546 mill.	Consolidated Debt-12/19 \$2546 mill.	29.5%	32.6%	31.6%	32.2%	31.0%	31.4%	32.6%	32.4%	30.7%	29.4%	30.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%
Consolidated Dividends-12/19 \$2546 mill.	Consolidated Dividends-12/19 \$2546 mill.	9473.0	9279.0	10101	10730	11846	12534	13040	13692	15476	17082	18400	19575	21975	21975	21975	21975	21975	21975
Consolidated Dividends-12/19 \$2546 mill.	Consolidated Dividends-12/19 \$2546 mill.	10069	10633	11551	12246	13412	14705	15715	16761	18126	18926	20225	21975	21975	21975	21975	21975	21975	21975
Consolidated Dividends-12/19 \$2546 mill.	Consolidated Dividends-12/19 \$2546 mill.	5.8%	6.3%	5.9%	6.0%	5.7%	5.7%	5.8%	5.9%	5.6%	5.3%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Consolidated Dividends-12/19 \$2546 mill.	Consolidated Dividends-12/19 \$2546 mill.	12.5%	12.5%	12.8%	13.0%	12.9%	13.2%	12.9%	13.6%	13.8%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%
Consolidated Dividends-12/19 \$2546 mill.	Consolidated Dividends-12/19 \$2546 mill.	12.5%	12.6%	12.9%	13.1%	13.0%	13.3%	13.0%	13.7%	13.8%	13.6%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%
Consolidated Dividends-12/19 \$2546 mill.	Consolidated Dividends-12/19 \$2546 mill.	6.9%	5.6%	5.0%	5.2%	5.0%	5.2%	4.8%	5.2%	5.3%	4.9%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Consolidated Dividends-12/19 \$2546 mill.	Consolidated Dividends-12/19 \$2546 mill.	4.6%	5.5%	6.1%	6.0%	6.2%	6.1%	6.3%	6.2%	6.2%	6.4%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%

ELECTRIC OPERATING STATISTICS			
Change Retail Sales (KWh)	2017	2018	2019
A. Indust. Use (MWh)	-1.4	+2.2	-3.7
A. Indust. Revs. per KWh (\$)	8.25	7.63	7.94
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	7634	8084	8039
Avg Load Factor (%)	NA	NA	NA
Change Customers (yr-end)	+1.2	+3	+9

ANNUAL RATES				
Change (per sh)	10 Yrs.	5 Yrs.	Past 17-'19	'17-'19
Revenues	-2.0%	-1.0%	1.0%	1.0%
"Cash Flow"	5.0%	7.0%	5.5%	5.5%
Earnings	9.5%	7.0%	7.5%	7.5%
Dividends	15.0%	7.0%	7.0%	7.0%
Book Value	4.5%	5.5%	7.5%	7.5%

Qtr	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	1829	1449	1527	1778	6583.0
2008	1953	1492	1599	1829	6873.0
2009	2059	1445	1546	1795	6845.0
2010	1864	1443	1575	1668	6550
2011	1950	1550	1600	1700	6800

Qtr	EARNINGS PER SHARE				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	.71	.33	.61	.52	2.17
2012	.86	.49	.59	.38	2.32
2013	.75	.33	.73	.58	2.39
2014	.85	.48	.76	.56	2.65
2015	.90	.55	.80	.60	2.85

Qtr	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	.31	.31	.31	.31	1.24
2012	.3325	.3325	.3325	.3325	1.33
2013	.3575	.3575	.3575	.3575	1.43
2014	.3825	.3825	.3825	.3825	1.53
2015	.4075	.4075	.4075	.4075	1.63

**BUSINESS:** CMS Energy Corporation is a holding company for Consumers Energy, which supplies electricity and gas to lower Michigan (excluding Detroit). Has 1.8 million electric, 1.8 million gas customers. Has 1,234 megawatts of nonregulated generating capacity. Owns EnerBank. Sold Palisades nuclear plant in '07. Electric revenue breakdown: residential, 45%; commercial, 34%; industrial, 15%; other, 6%. Generating sources: coal, 27%; gas, 18%; other, 3%; purchased, 52%. Fuel costs: 41% of revenues. '19 reported deprec. rates: 3.9% electric, 2.9% gas, 10.0% other. Has 8,100 full-time employees. Chairman: John G. Russell. President & CEO: Garick Rochoow, Inc., MI. Address: One Energy Plaza, Jackson, MI 48201. Tel.: 517-788-0550. Internet: www.cmsenergy.com.

**CMS Energy's utility subsidiary received a gas rate increase.** The Michigan Public Service Commission (MPSC) approved a settlement granting Consumers Energy a rate hike of \$144 million, based on a 9.9% return on equity and a 52% common-equity ratio. New tariffs took effect on October 1st. The settlement included a stay-out provision under which the utility will not file its next gas application before December 1, 2021. To compensate for this delay, the company will be able to amortize into income tax liabilities (estimated at \$84.5 million) from October of 2020 through September of 2021. **Consumers Energy is awaiting an order on its electric rate case.** The utility is seeking an increase of \$230 million, based on a 10.5% ROE. The MPSC's staff proposed a \$149 million hike, based on a 9.75% ROE. Consumers Energy expects to put forth its next general rate case in the first quarter of 2021. Frequent filings are necessary because the company has a large system that has a lot of old equipment that must be replaced. **The utility asked the MPSC to approve the issuance of securitized**

**bonds.** This would allow Consumers Energy to recover the undepreciated ownership of its Karn coal-fired plant, which the utility plans to close by 2023. The company estimates it would issue \$703 million. **We raised our 2020 and 2021 share-earnings estimates by \$0.05 and \$0.10, respectively.** Our revised estimates are within CMS Energy's targeted ranges of \$2.64-\$2.68 and \$2.82-\$2.86, respectively. The effects of strong residential kilowatt-hour sales have largely offset weakness in commercial and industrial volume. Management has controlled costs effectively, too. The profit growth we expect in 2021, helped by rate relief, is near the top end of CMS Energy's goal of 6%-8% annually. **A dividend increase is likely in the first quarter of 2021.** We estimate a hike of \$0.11 a share (6.7%) annually. The company's goal is 6%-8% yearly growth. **This timely stock's dividend yield is below the utility average.** The stock price has fallen 2% this year, far less than most utility issues. Total return potential is appealing for the 18-month span but low for the 2023-2025 period.

Paul E. Debbas, CFA December 11, 2020

(A) Diluted EPS. Excl. nonrec. gains (losses): '05, \$161; '06, (\$1,08); '07, (\$1,26); '09, (7c); '10, \$11, 12c; '12, (14c); '17, (53c); gains (losses) on disc. ops.: '05, 7c; '06, 3c; '07, (40c); '09, 8c; '10, (8c); '11, 1c; '12, 3c. Next earnings report due early Feb. (B) Div's historically paid late Feb., May, Aug. & Nov. & Div'd reinvestment plan avail. (C) Incl. Intang. '19 '19: \$8.77/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '18: 10% elec.; in '19: 9.9% gas; eamed on avg. com. eq.; '19: 13.9% Regul. Cilm.: Above Avg.

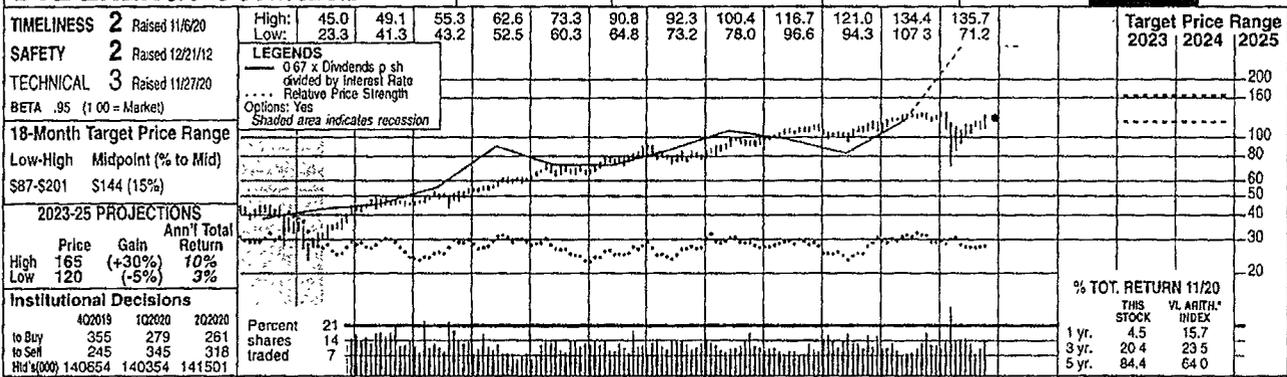
Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	70
Earnings Predictability	85

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# DTE ENERGY CO. NYSE-DTE

RECENT PRICE **125.81** P/E RATIO **17.6** (Trailing: 17.8 Median: 17.0) RELATIVE P/E RATIO **0.84** DIV YLD **3.4%** VALUE LINE **908**



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	VALUE LINE PUB. LLC	23-25
40.84	50.74	50.93	54.28	57.23	48.45	50.51	52.57	51.01	54.56	69.50	57.60	59.24	70.28	78.12	65.91	62.20	64.95	Revenues per sh	70.25
6.81	8.14	8.19	8.48	8.26	9.38	9.78	9.57	9.77	10.13	11.85	9.44	10.60	11.77	12.58	12.97	14.40	15.15	"Cash Flow" per sh	17.75
2.55	3.27	2.45	2.66	2.73	3.24	3.74	3.67	3.88	3.76	5.10	4.44	4.83	5.73	6.17	6.31	6.80	7.15	Earnings per sh A	8.50
2.06	2.06	2.08	2.12	2.12	2.12	2.18	2.32	2.42	2.59	2.84	2.84	3.06	3.36	3.59	3.85	4.12	4.41	Div'd Decl'd per sh B	5.20
5.19	5.99	7.92	7.96	8.42	6.26	6.49	8.77	10.56	10.59	11.58	11.26	11.40	12.54	14.91	15.59	19.95	18.55	Cap'l Spending per sh	13.50
31.85	32.44	33.02	35.86	36.77	37.96	39.67	41.41	42.78	44.73	47.05	48.88	50.22	53.03	56.27	60.73	63.65	66.70	Book Value per sh C	79.00
174.21	177.81	177.14	163.23	163.02	165.40	169.43	169.25	172.35	177.09	176.99	179.47	179.43	179.39	181.93	192.21	193.00	194.00	Common Shs Outst'g D	205.00
16.0	13.8	17.4	18.3	14.8	10.4	12.3	13.5	14.9	17.9	14.9	18.1	19.0	18.6	17.4	19.9	19.9	19.9	Avg Ann'l P/E Ratio	16.5
0.85	0.73	0.94	0.97	0.89	0.69	0.78	0.85	0.95	1.01	0.78	0.91	1.00	0.94	0.94	1.06	1.06	1.06	Relative P/E Ratio	0.90
5.0%	4.6%	4.9%	4.4%	5.2%	6.3%	4.8%	4.7%	4.2%	3.8%	3.5%	3.5%	3.3%	3.2%	3.3%	3.1%	3.1%	3.1%	Avg Ann'l Div'd Yield	3.7%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$19574 mill. Due in 5 Yrs \$8261 mill.  
 LT Debt \$18219 mill. LT Interest \$694 mill.  
 (LT interest earned: 3.1x)

**Leases, Uncapitalized Annual rentals \$38 mill.**

**Pension Assets-12/19 \$4993 mill. Obl'g \$5810 mill.**

**Pfd Stock None**  
 Common Stock 193,559,593 shs.

**MARKET CAP: \$24 billion (Large Cap)**

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
8557.0	8897.0	8791.0	9661.0	12301	10337	10630	12607	14212	12669	12600	12600	12600	12600	12600	12600	12600	12600
630.0	624.0	666.0	661.0	905.0	796.0	868.0	1029.0	1120.0	1169.0	1310	1380	1755	1755	1755	1755	1755	1755
32.7%	35.9%	29.8%	27.5%	28.5%	25.6%	24.5%	21.8%	8.1%	11.5%	10.0%	10.0%	8.0%	10.0%	10.0%	10.0%	10.0%	10.0%
1.6%	1.6%	3.0%	3.5%	4.1%	4.3%	3.6%	3.5%	3.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
51.3%	50.6%	48.8%	47.7%	50.0%	50.2%	55.6%	56.2%	54.2%	57.7%	60.5%	61.0%	58.5%	58.5%	58.5%	58.5%	58.5%	58.5%
48.7%	49.4%	51.2%	52.3%	50.0%	49.8%	44.4%	43.8%	45.8%	42.3%	39.5%	39.0%	41.5%	41.5%	41.5%	41.5%	41.5%	41.5%
13811	14196	14387	15135	16670	17607	20280	21697	22371	27607	31250	33000	39800	39800	39800	39800	39800	39800
12992	13746	14684	15800	16820	18034	19730	20721	21650	25317	28300	30325	33600	33600	33600	33600	33600	33600
6.3%	5.9%	6.1%	5.7%	6.6%	5.7%	5.3%	5.9%	6.1%	5.3%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
9.4%	8.9%	9.0%	8.3%	10.9%	9.1%	9.6%	10.8%	10.9%	10.0%	10.5%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
9.4%	8.9%	9.0%	8.3%	10.9%	9.1%	9.6%	10.8%	10.9%	10.0%	10.5%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
4.0%	3.4%	3.5%	2.7%	5.2%	3.4%	3.7%	4.6%	4.9%	4.1%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
57%	62%	61%	67%	52%	63%	61%	58%	55%	59%	62%	62%	61%	61%	61%	61%	61%	61%

**BUSINESS:** DTE Energy Company is a holding company for DTE Electric (formerly Detroit Edison), which supplies electricity in Detroit and a 7,600-square-mile area in southeastern Michigan, and DTE Gas (formerly Michigan Consolidated Gas). Customers: 2.2 mill. electric, 1.3 mill. gas. Has various nonutility operations. Electric revenue breakdown: residential, 48%; commercial, 34%; industrial, 13%; other, 7%. Generating sources: coal, 67%; nuclear, 17%; gas, 1%; purchased, 15%. Fuel costs: 54% of revenues. '19 reported deprec. rates: 4.0% electric, 2.7% gas. Has 10,700 employees. Chairman: Gerard M. Anderson President & CEO: Jerry Norcia. Inc.: MI. Address: One Energy Plaza, Detroit, MI 48226-1279. Tel.: 313-235-4000. Internet: www.dteenergy.com.

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (KWh)	-3.1	+3.5	-3.9
Avg. Indust. Use (MWh)	NA	NA	NA
Avg. Indust. Rate, per KWh (¢)	NMF	NMF	NMF
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA

**ANNUAL RATES**

	Past 10 Yrs	Past 5 Yrs	Est'd '17-'19
of change (per sh)	4.0%	4.0%	-5%
Revenues	3.0%	3.5%	6.0%
"Cash Flow"	3.5%	3.5%	6.0%
Earnings	8.0%	7.5%	6.0%
Dividends	5.5%	7.0%	6.5%
Book Value	4.5%	5.0%	5.5%

**QUARTERLY REVENUES (\$mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	3236	2855	3245	3271	12607
2018	3753	3159	3550	3750	14212
2019	3514	2888	3119	3148	12669
2020	3022	2583	3284	3111	12000
2021	3300	2700	3350	3250	12600

**EARNINGS PER SHARE A**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	2.23	.99	1.51	1.00	5.73
2018	2.00	1.29	1.84	1.05	6.17
2019	2.19	.99	1.73	1.40	6.31
2020	1.76	1.44	2.46	1.14	6.80
2021	2.00	1.55	2.20	1.40	7.15

**QUARTERLY DIVIDENDS PAID B**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.825	.825	.825	.825	3.30
2018	.8825	.8825	.8825	.8825	3.53
2019	.945	.945	.945	.945	3.78
2020	1.0125	1.0125	1.0125	1.0125	4.05
2021	1.085				

**DTE Energy plans to spin off its midstream gas business into a separate company.** Once management has come up with the details (including the ratio of how many new-company shares stockholders would receive for each DTE Energy share), the board of directors would have to approve the plan. This would be tax free for DTE Energy stockholders. After the spin-off, DTE Energy would derive a greater proportion of its income from its regulated electric and gas operations (90%, versus 70% today). DTE Energy would retain its Energy Trading division and its Power & Industrial Projects segment, which provides projects such as cogeneration to industrial customers. After the spinoff, DTE expects to raise the dividend 8%-10% from 2021 to 2022, versus 6% otherwise. The company expects the corporate separation will be completed in mid-2021. Based on the midpoints of DTE Energy's original 2020 guidance and its 2021 early outlook, the company states that its theoretical share net without midstream gas would be \$5.13 in 2020 and \$5.51 in 2021.

**We raised our 2020 earnings estimate by \$0.10 a share, to \$6.80.** DTE Electric

benefited from favorable weather patterns in the third quarter. However, the company will use this income to give customers a \$30 million revenue refund, which will result in a negative year-to-year earnings comparison in the fourth quarter. Even so, profits should wind up much higher for the full year. DTE Electric and DTE Gas received rate hikes. Cost cutting and better-than-expected residential kilowatt-hour sales have offset the effects of the recession on commercial and industrial volume. The nonutility businesses have performed well, too. A full year of rate relief should produce higher profits in 2021.

**The board of directors raised the dividend, effective with the January payment.** The annual increase was \$0.29 a share (7.2%). DTE Energy stockholders would also receive dividends of the new midstream gas company after the spinoff. **This timely stock has a dividend yield that is average for a utility.** The equity does not stand out for long-term total return potential, but this is based on DTE Energy's current configuration. The spin-off might well enhance shareholder value.

*Paul E. Debbas, CFA December 11, 2020*

(A) Diluted EPS. Excl. nonrec. gains (losses): '05, (2e); '07, \$1.96; '08, 50c; '11, 51c; '15, (39c); '17, 59c; gains (losses) on disc. ops.: '04, (6c); '05, (20c); '06, (2c); '07, \$1.20; '08, 13c; '12, (33c). '17-'18 EPS don't sum due to rounding. Next earnings report due early Feb. (B) Div'ds pd. mid-Jan., Apr., July & Oct. \* Div'd reinvest. plan avail. (C) Incl. Intang. In '19: \$47.33/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in '20: 9.9% elec.; in '20: 9.9% gas; earned on avg. com. eq.; '19: 10.8%. Regulat. Climate: Above Avg.

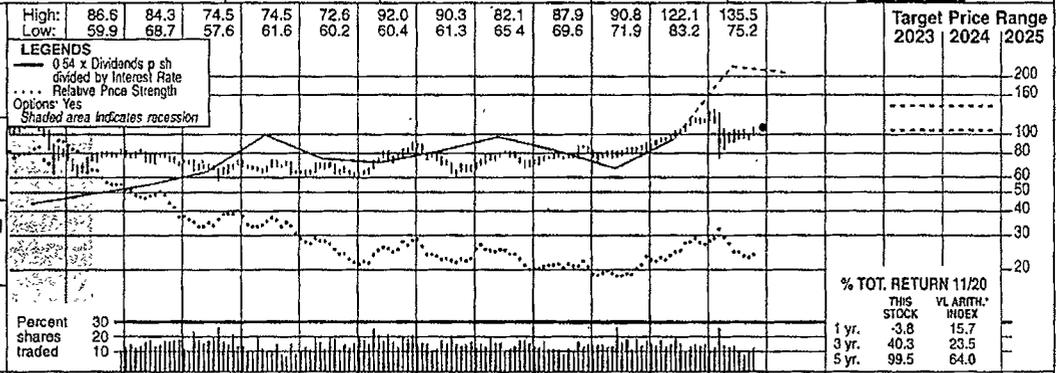
**Company's Financial Strength**  
 Stock's Price Stability A  
 Price Growth Persistence 95  
 Earnings Predictability 75  
 85

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# ENTERGY CORP. NYSE:ETR

**RECENT PRICE** 108.85    **P/E RATIO** 18.4 (Trading: 15.8 Median: 13.0)    **RELATIVE P/E RATIO** 0.88    **DIV YLD** 3.5%    **VALUE LINE** 909

**TIMELINESS** 3 Raised 10/26/18  
**SAFETY** 2 Raised 12/13/19  
**TECHNICAL** 3 Raised 12/11/20  
**BETA** .95 (1.00 = Market)



**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$82-\$181 \$132 (20%)

**2023-25 PROJECTIONS**  
 High Price Gain Ann'l Total  
 Low 140 105 (+30%) 10% 3%  
 105 (-5%) 3%

**Institutional Decisions**  
 to Buy 348 281 283  
 to Sell 242 349 315  
 Hfr \$ (000) 176392 172217 173722

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	VALUE LINE PUB. LLC	23-25
46.69	46.61	53.94	59.47	69.15	56.82	64.27	63.67	57.94	63.86	69.71	64.54	60.55	61.35	58.23	54.63	50.50	50.50	Revenues per sh	50.50
8.33	8.18	10.69	11.73	12.89	13.29	16.54	17.53	15.98	16.25	17.68	17.71	18.72	16.70	16.50	17.19	17.10	18.05	"Cash Flow" per sh	21.00
3.93	4.40	5.36	5.60	6.20	6.30	6.66	7.55	6.02	4.96	5.77	5.81	6.88	5.19	5.88	6.30	5.65	5.95	Earnings per sh <sup>A</sup>	7.00
1.69	2.16	2.16	2.58	3.00	3.00	3.24	3.32	3.32	3.32	3.32	3.34	3.42	3.50	3.58	3.66	3.74	3.86	Div'd Decl'd per sh <sup>B</sup> †	4.55
6.51	6.72	9.44	10.29	13.92	12.99	13.33	15.21	18.18	13.33	14.82	16.79	17.28	22.07	22.45	21.72	20.60	18.70	Cap'l Spending per sh	19.00
38.26	35.71	40.45	40.71	42.07	45.54	47.53	50.81	51.73	54.00	55.83	51.89	45.12	44.28	46.78	51.34	53.55	56.30	Book Value per sh <sup>C</sup>	64.50
216.83	216.63	202.67	193.12	189.36	189.12	178.75	176.36	177.81	178.37	179.24	178.39	179.13	180.52	189.06	199.15	201.00	204.00	Common Shs Outst'g <sup>D</sup>	210.00
15.1	16.3	14.3	19.3	16.6	12.0	11.6	9.1	11.2	13.2	12.9	12.5	10.9	15.0	13.8	16.5	16.5	16.5	Avg Ann'l P/E Ratio	17.5
.80	.87	.77	1.02	1.00	.80	.74	.57	.71	.74	.68	.63	.57	.75	.75	.75	.75	.75	Relative P/E Ratio	.95
3.2%	3.0%	2.8%	2.4%	2.9%	4.0%	4.2%	4.9%	4.9%	5.1%	4.5%	4.6%	4.6%	4.5%	4.4%	3.5%	3.5%	3.5%	Avg Ann'l Div'd Yield	3.7%

**CAPITAL STRUCTURE** as of 9/30/20  
 Total Debt \$22060 mill. Due in 5 Yrs \$8573.8 mill.  
 LT Debt \$19613 mill. LT Interest \$831.0 mill.  
 Incl. \$209.2 mill. of securitization bonds.  
 (LT Interest earned 2.2x)  
 Leases, Uncapitalized Annual Rentals \$62.1 mill.  
 Pension Assets-12/19 \$6271.2 mill.  
 Obltg \$8406.2 mill.  
 Pfd Stock \$254.4 mill. Pfd Div'd \$18.3 mill.  
 200,000 shs. 6.25%-7.5%; \$100 par; 250,000 shs.  
 8.75%, 1.4 mill. shs. 5.375%; all cum., without sink-  
 ing fund.  
 Common Stock 200,232,522 shs. as of 10/30/20  
**MARKET CAP: \$22 billion (Large Cap)**

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (KWh)	+2	+4	-1
Avg. Indus. Use (MWh)	1034	946	1070
Avg. Indus. Pwr. per KWH(e)	5.41	5.16	5.24
Capacity at Peak (MW)	24279	23121	23887
Peak Load, Summer (MW)	21671	21587	21598
Annual Load Factor (%)	62	65	64
% Change Customers (yr-end)	+6	+8	+8

**ANNUAL RATES**

	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19
of change (per sh)	10 Yrs.	5 Yrs.	to '23-'25
Revenues	-5%	-2.0%	-2.5%
"Cash Flow"	3.0%	-	4.0%
Earnings	-5%	5%	3.0%
Dividends	2.5%	1.5%	4.0%
Book Value	1.0%	-2.5%	5.0%

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	2588	2618	3244	2624	11074
2018	2724	2669	3104	2512	11009
2019	2610	2666	3141	2462	10879
2020	2427	2413	2904	2406	10150
2021	2600	2500	2900	2300	10300

**EARNINGS PER SHARE <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.46	2.27	2.21	.25	5.19
2018	.73	1.34	3.42	.39	5.88
2019	1.32	1.22	1.82	1.94	6.30
2020	.59	1.79	2.59	.68	5.65
2021	1.15	1.50	2.60	.70	5.95

**QUARTERLY DIVIDENDS PAID <sup>B</sup> †**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.85	.85	.85	.87	3.42
2017	.87	.87	.87	.89	3.50
2018	.89	.89	.89	.91	3.58
2019	.91	.91	.91	.93	3.66
2020	.93	.93	.93	.95	

**BUSINESS:** Entergy Corporation supplies electricity to 2.9 million customers through subsidiaries in Arkansas, Louisiana, Mississippi, Texas, and New Orleans (regulated separately from Louisiana). Distributes gas to 202,000 customers in Louisiana. Has a nonutility subsidiary that owns four nuclear units (two no longer operating). Electric revenue breakdown: residential, 38%; commercial, 26%; in-

**We raised our 2020 share-earnings estimate for Entergy from \$5.00 to \$5.65.** Third-quarter results were better than we expected because Entergy's, nonregulated subsidiary turned a small profit. This business has been hurt by unfavorable conditions in the power markets, so Entergy has been selling or shutting its nuclear plants. Two units are still operating, but are scheduled for closing in 2021 and 2022. Management has cut expenses effectively to offset the effects of the weak economy and the coronavirus. Note that we include the results of the nonutility business, even though Entergy excludes it from its definition of operating earnings. The service area was hit by hurricanes in August and October. The worst of these caused an estimated \$1.5 billion-\$1.7 billion of damage. Two other hurricanes raised the total to \$2.2 billion-\$2.5 billion. Entergy is deferring these costs for future recovery. The company might eventually recoup these costs through the issuance of bonds securitized by payments on customers' bills. However Entergy recovers the hurricane-related costs, the method of recovery will require

regulatory approval. Some regulatory matters are pending. Entergy Arkansas is seeking a \$73 million rate hike under the state's Formula Rate Plan (FRP). The utility also wants to renew the FRP. Entergy Louisiana wants to review that state's FRP, as well. Entergy Texas filed for increases totaling \$38.4 million under regulatory mechanisms for the recovery of transmission and distribution costs. Rate relief and a stronger economy should enable earnings to increase in 2021. However, there is a potentially negative matter before federal regulators. State regulators allege that the federally granted allowed return on equity on certain assets is too high. The board of directors raised the dividend in the fourth quarter. The increase was two cents a share (2.2%) quarterly, the same as in recent years. Entergy has stated that it expects dividend growth to accelerate in late 2021. The dividend yield is about average for a utility. Total return potential is attractive for the 18-month period, but low for the next 3 to 5 years.

*Paul E. Debbas, CFA*    December 11, 2020

(A) Diluted EPS. Excl. nonrec. losses: '05, 21; '12, \$1.26; '13, \$1.14; '14, \$6c; '15, \$6.99; '16, \$10.14; '17, \$2.91; '18, \$1.25. Next earnings report due early Feb. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. def'd charges. In '19: \$29.67/sh. (D) In millions. (E) Rate base: Net original cost. Allowed ROE (blended): 9.95%; earned on avg. com. eq., '19: 13.0%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	35
Earnings Predictability	65

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# EVERGY, INC. NYSE-EVRG

RECENT PRICE **55.41** P/E RATIO **19.4** (Trailing: 19.9 Median: NMF) RELATIVE P/E RATIO **0.93** DIV YLD **3.9%** VALUE LINE **910**

<b>TIMELINESS</b> 4 Lowered 11/13/20	<b>LEGENDS</b> .... Relative Price Strength Options: Yes Shaded area indicates recession	High: 61.1	67.8	76.6	<b>Target Price Range</b> 2023 2024 2025 128 95 80 64 48 40 32 24 16 12
<b>SAFETY</b> 2 New \$14/18		Low: 50.9	54.6	42.0	
<b>TECHNICAL</b> 3 Raised 12/4/20					
<b>BETA</b> 1.00 (1.00 = Market)					
<b>18-Month Target Price Range</b>					
Low-High Midpoint (% to Mid)					
\$42-\$100 \$71 (30%)					
<b>2023-25 PROJECTIONS</b>					
High Price 80 Gain (+45%) Ann'l Total Return 1.3%					
Low Price 60 Gain (+10%) Ann'l Total Return 6%					
<b>Institutional Decisions</b>					
4Q2019 1Q2020 2Q2020	Percent shares traded				
to Buy 263 232 216	36				
to Sell 278 302 312	24				
Hld's(000) 181230 185949 184925	12				

Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Great Plains Energy holders received .5981 of a share of Evergy for each of their shares, and Westar Energy holders received one share of Evergy for each of their shares. The merger was completed on June 4, 2018. Shares of Evergy began trading on the New York Stock Exchange one day later.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Revenues per sh	--	--	--	--	--	--	--	--	16.75	22.71	21.60	22.25	24.50	24.50	24.50
	"Cash Flow" per sh	--	--	--	--	--	--	--	--	4.89	7.18	6.95	7.60	9.00	9.00	9.00
	Earnings per sh <sup>A</sup>	--	--	--	--	--	--	--	--	2.50	2.79	2.65	3.15	4.00	4.00	4.00
	Div'd Decl'd per sh <sup>B</sup>	--	--	--	--	--	--	--	--	1.74	1.93	2.05	2.17	2.55	2.55	2.55
	Cap'l Spending per sh	--	--	--	--	--	--	--	--	4.19	5.34	7.00	7.60	6.50	6.50	6.50
	Book Value per sh <sup>C</sup>	--	--	--	--	--	--	--	--	39.28	37.82	38.35	39.30	43.00	43.00	43.00
	Common Shs Outst'g <sup>D</sup>	--	--	--	--	--	--	--	--	255.33	226.64	227.00	227.00	227.00	227.00	227.00
	Avg Ann'l P/E Ratio	--	--	--	--	--	--	--	--	22.7	21.8	21.8	21.8	17.0	17.0	17.0
	Relative P/E Ratio	--	--	--	--	--	--	--	--	1.23	1.17	1.17	1.17	.95	.95	.95
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	--	3.1%	3.2%	3.2%	3.2%	3.7%	3.7%	3.7%	
Revenues (\$mill)	--	--	--	--	--	--	--	--	4275.9	5147.8	4900	5050	5550	5550	5550	
Net Profit (\$mill)	--	--	--	--	--	--	--	--	535.8	669.9	615	730	915	915	915	
Income Tax Rate	--	--	--	--	--	--	--	--	9.8%	12.6%	14.0%	12.0%	12.0%	12.0%	12.0%	
AFUDC % to Net Profit	--	--	--	--	--	--	--	--	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	
Long-Term Debt Ratio	--	--	--	--	--	--	--	--	40.0%	50.6%	51.5%	52.5%	52.5%	52.5%	52.5%	
Common Equity Ratio	--	--	--	--	--	--	--	--	60.0%	49.4%	48.5%	47.5%	47.5%	47.5%	47.5%	
Total Capital (\$mill)	--	--	--	--	--	--	--	--	18716	17337	17925	18750	20700	20700	20700	
Net Plant (\$mill)	--	--	--	--	--	--	--	--	18952	19346	19950	20675	23000	23000	23000	
Return on Total Cap'l	--	--	--	--	--	--	--	--	4.0%	4.8%	4.5%	5.0%	5.5%	5.5%	5.5%	
Return on Shr. Equity	--	--	--	--	--	--	--	--	5.3%	7.8%	7.0%	8.0%	9.0%	9.0%	9.0%	
Return on Com Equity <sup>E</sup>	--	--	--	--	--	--	--	--	5.3%	7.8%	7.0%	8.0%	9.0%	9.0%	9.0%	
Retained to Com Eq	--	--	--	--	--	--	--	--	6%	2.4%	2.5%	2.5%	3.5%	3.5%	3.5%	
All Div's to Net Prof	--	--	--	--	--	--	--	--	89%	69%	76%	67%	63%	63%	63%	

**ELECTRIC OPERATING STATISTICS**

% Change Retail Sales (RWH)	2017	2018	2019
Avg. Indust. Use (RWH)	NA	NA	NA
Avg. Indust. Pers. or RWH (d)	NA	7.11	7.25
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA

**MARKET CAP: \$13 billion (Large Cap)**

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd 2019 of change (per sh)

Revenues	--	--	1.5%
"Cash Flow"	--	--	4.5%
Earnings	--	--	7.5%
Dividends	--	--	5.5%
Book Value	--	--	2.5%

**QUARTERLY REVENUES (\$mill)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	--	--	--	--	--
2018	600.2	893.4	1582.5	1199.8	4275.9
2019	1216.9	1221.7	1577.6	1131.6	5147.8
2020	1117	1185	1518	1080	4900
2021	1200	1200	1550	1100	5050

**EARNINGS PER SHARE <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	--	--	--	--	--
2018	.42	.56	1.32	.07	2.50
2019	.39	.57	1.56	.28	2.79
2020	.31	.59	1.60	.15	2.65
2021	.45	.65	1.70	.35	3.15

**QUARTERLY DIVIDENDS PAID <sup>B</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	--	--	--	--	--
2017	--	--	--	--	--
2018	.40	.40	.46	.475	1.74
2019	.475	.475	.475	.505	1.93
2020	.505	.505	.505	.535	

**Is Evergy a takeover candidate?** In November, Reuters reported that the company turned down an offer from NextEra Energy that would have valued Evergy stock in the mid-\$60s. Shortly thereafter, Evergy issued a statement in support of its Sustainability Transformation Plan (see below), and said, "... there is currently no offer or bid from any third party for a potential transaction." NextEra did not comment. However, Elliott Management, which owns a stake in Evergy equivalent to 11.3 million shares, wants Evergy to talk to NextEra about a possible combination. Wall Street is skeptical that a deal will occur; the stock price is not significantly higher than it was before the news came out.

**The company is proceeding with its Sustainability Transformation Plan.** This includes a five-year (2020-2024) capital budget of \$8.9 billion, some of which will be used for renewable-energy projects. Equity issuances will not be needed to finance the utility's capital spending. Cost reduction is part of the plan, as well, with a target of a 10% reduction in nonfuel operating and maintenance expenses by

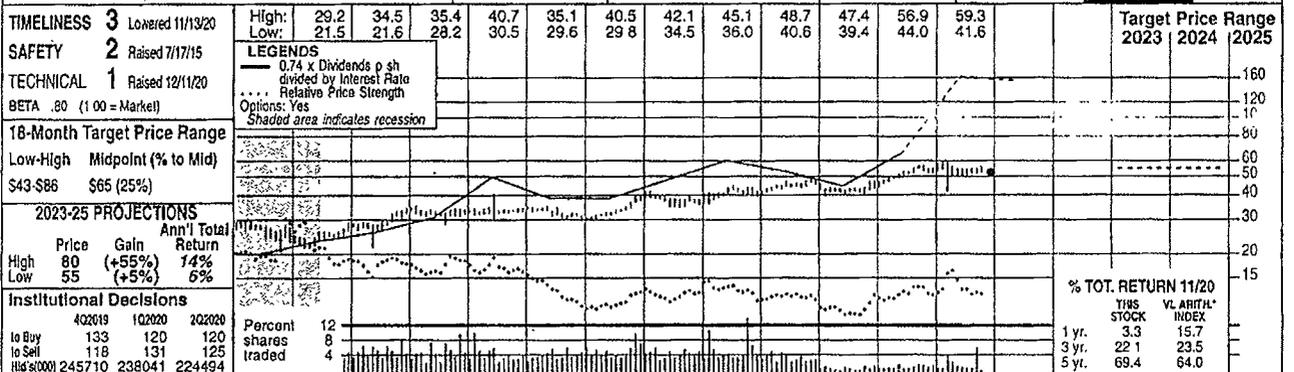
**2024.** Evergy's goal is 6%-8% average annual earnings growth. Note that the Missouri Public Service Commission is reviewing this plan, and will issue a report by late January. We estimate that earnings will decline in 2020, but rise sharply in 2021. This year, Evergy has incurred costs for severance and its investment and legal advisors with regard to the aforementioned plan. These will reduce the bottom line by an estimated \$0.37 a share. Our 2020 earnings estimate is within the company's targeted range of \$2.58-\$2.73 a share on a GAAP basis. The board of directors raised the dividend in the fourth quarter. The quarterly increase was \$0.03 a share (5.9%). Evergy's goals are annual dividend growth in line with earnings growth and a payout ratio of 60%-70%. This untimely stock's dividend yield is slightly above the utility average. Total return potential is more attractive for the next 18 months than for the 3- to 5-year period. The equity offers speculative appeal, too, in case a takeover offer comes. Paul E. Debbas, CFA December 11, 2020

**Company's Financial Strength** B++  
**Stock's Price Stability** 60  
**Price Growth Persistence** NMF  
**Earnings Predictability** NMF

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**FORTIS INC., TSE-FTS.TO A** RECENT PRICE **52.29** P/E RATIO **20.3** (Trailing: 19.7 Median: 19.0) RELATIVE P/E RATIO **0.97** DIV'D YLD **3.9%** VALUE LINE **911**



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	VALUE LINE PUB. LLC	23-25
11.99	13.86	14.14	17.48	23.07	21.24	21.01	19.84	19.07	18.99	19.57	23.89	17.03	19.71	19.58	18.96	19.10	19.55	Revenues per sh	21.25
2.23	2.73	3.05	2.96	3.51	3.66	3.99	3.90	4.10	3.62	5.21	3.91	5.43	5.43	5.40	5.44	5.60	5.90	"Cash Flow" per sh	7.00
1.01	1.19	1.36	1.29	1.52	1.51	1.62	1.74	1.65	1.63	1.38	2.11	1.89	2.66	2.52	2.68	2.50	2.60	Earnings per sh	3.00
.54	.59	.67	.82	1.00	1.04	1.12	1.17	1.21	1.25	1.30	1.43	1.55	1.65	1.75	1.86	1.97	2.08	Div'd Decl'd per sh	2.50
2.92	4.93	4.80	5.16	5.34	5.79	5.89	5.91	5.68	5.32	6.00	7.97	5.13	7.18	7.51	8.03	9.30	8.70	Cap'l Spending per sh	8.25
10.47	11.76	12.26	16.72	18.00	18.57	18.95	20.53	20.84	22.39	24.90	28.63	32.32	31.77	34.80	36.49	37.85	39.25	Book Value per sh	43.75
95.53	103.20	104.09	155.52	169.19	171.26	174.39	188.83	191.57	213.17	276.00	281.56	401.49	421.10	428.50	463.30	466.00	470.00	Common Shs Outst'g	482.00
15.3	17.2	17.7	21.1	17.5	16.4	18.2	18.8	20.1	20.0	24.3	18.0	21.6	16.8	17.1	19.2	19.2	19.2	Avg Ann'l P/E Ratio	22.5
.81	.92	.96	1.12	1.05	1.09	1.16	1.18	1.28	1.12	1.28	.91	1.13	.84	.92	1.03	1.03	1.03	Relative P/E Ratio	1.25
3.5%	2.9%	2.8%	3.0%	3.8%	4.2%	3.8%	3.6%	3.6%	3.8%	3.9%	3.8%	3.8%	3.7%	4.1%	3.6%	3.6%	3.6%	Avg Ann'l Div'd Yield	3.7%

**CAPITAL STRUCTURE as of 9/30/20**

Total Debt \$25236 mill. Due In 5 Yrs \$5512 mill.  
 LT Debt \$24147 mill. LT Interest \$978 mill.  
 Incl. \$334 mill. capitalized leases.  
 (LT interest earned: 2.7x)  
 Leases, Uncapitalized Annual rentals \$10 mill.

Pension Assets-12/19 \$3208 mill.  
 Oblig \$3632 mill.  
 Pfd Stock \$1623 mill. Pfd Div'd \$67 mill.

Common Stock 465,000,000 shs.  
 as of 10/30/20

MARKET CAP: \$24 billion (Large Cap)

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (KWh)	NA	NA	NA
Avg. Indust. Use (MWh)	NA	NA	NA
Avg. Indust. Revs. per KWh (¢)	NA	NA	NA
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA

**ANNUAL RATES OF CHANGE (per sh)**

	Past 10 Yrs	Past 5 Yrs	'17-'19 to '23-'25
Revenues	-5%	-	1.5%
"Cash Flow"	5.0%	6.5%	4.5%
Earnings	6.0%	11.0%	2.5%
Dividends	6.5%	7.0%	6.0%
Book Value	7.0%	8.5%	4.0%

**QUARTERLY REVENUES (\$ mill.)**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	2274	2015	1901	2111	8301
2018	2197	1947	2040	2206	8390
2019	2436	1870	2051	2326	8783
2020	2391	2077	2121	2311	8900
2021	2800	2100	2200	2400	9200

**EARNINGS PER SHARE**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.72	.82	.88	.86	2.86
2018	.89	.87	.88	.81	2.82
2019	.72	.84	.83	.77	2.68
2020	.87	.89	.83	.81	2.60
2021	.72	.81	.85	.89	2.60

**QUARTERLY DIVIDENDS PAID**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.375	.375	.375	.40	1.53
2017	.40	.40	.40	.425	1.63
2018	.425	.425	.425	.45	1.73
2019	.45	.45	.45	.475	1.83
2020	.475	.475	.475	.505	

**BUSINESS:** Fortis Inc.'s main focus is electricity, hydroelectric, and gas utility operations (both regulated and nonregulated) in the United States, Canada, and the Caribbean. Has 2 mill. electric, 1.3 mill. gas customers. Owns UNS Energy (Arizona), Central Hudson (New York), FortisBC Energy (British Columbia), FortisAlberta (Central Alberta), and Eastern Canada (Newfoundland). Sold commercial real estate and hotel property assets in 2015. Acquired ITC Holdings 10/16 Fuel costs: 29% of revenues. '19 reported decr. rate: 2.6%. Has 9,000 employees. Chairman: Douglas J. Haughey. President & CEO: Barry V. Perry Inc.: Canada. Address: Fortis Place, Suite 1100, 5 Springdale St., PO Box 8837, St. John's, NL, Canada, A1B 3T2. Tel: 709-737-2800. Internet: www.fortisinc.com.

**Fortis' share earnings will probably wind up lower in 2020.** The December-quarter comparison is difficult because the company recorded income of \$0.19 a share in the fourth quarter of 2019 for the reversal of a reserve that its ITC transmission subsidiary took for a possible revenue refund. In addition, the average share count is up significantly due to stock Fortis issued in late 2019. The coronavirus and weak economy have had a mild negative effect on income. A delay in receiving rate relief in Arizona is another factor.

**Rate cases are pending in Arizona and New York.** Tucson Electric Power requested an increase of \$99 million, based on a 10% return on equity and a 53% common-equity ratio. The staff of the Arizona commission proposed a \$61 million hike based on a 9.3% ROE, and an administrative law judge recommended \$69 million, based on a 9.35% ROE. A decision was expected shortly after our report went to press. Central Hudson filed for electric and gas increases of US\$33 million and US\$14 million, respectively, based on a 9.1% ROE. An order is expected in mid-2021. Also, ITC benefits from a forward-

looking regulatory mechanism that enables it to earn a return on its capital spending and recover most costs each year. **Beyond next year, Fortis' capital plan should lead to solid growth in the rate base, and thus earnings.** The company projects spending of \$19.6 billion from 2021 through 2025, leading to 6% average annual rate base growth over that time frame.

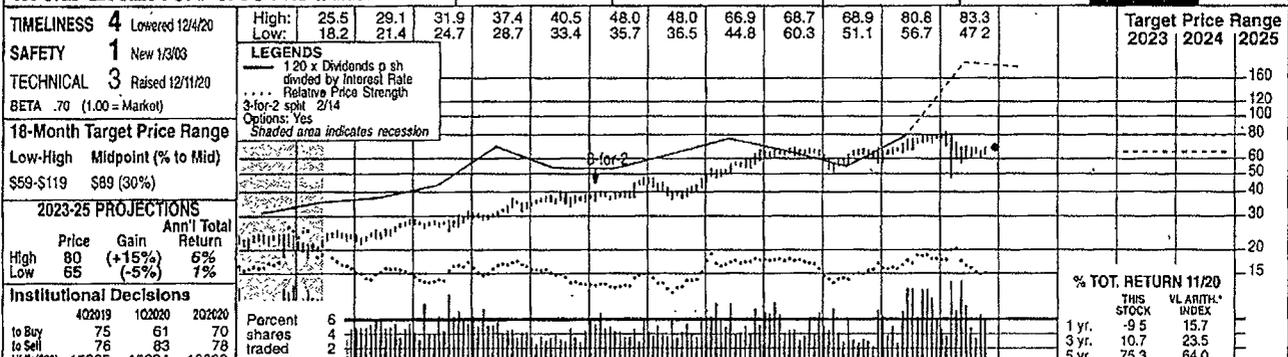
**The board of directors raised the dividend, effective with the payment in December.** The yearly increase was \$0.11 a share (5.8%). Fortis' goal is 6% average annual growth in the disbursement through 2025. Note that the company has reinstated a 2% discount on shares purchased through the dividend reinvestment plan. Fortis expects participation in the DRIP to rise from 5% to 20% as a result. **The dividend yield of Fortis stock is a cut above the utility average.** The equity has outperformed most utility issues in 2020, down just 3% since the start of the year. Total return potential is attractive for the next 18 months and decent for the 3- to 5-year period.

Paul E. Debbas, CFA December 11, 2020

(A) Also trades on NYSE under the symbol FTS. All data on Canadian S. (B) Oil, egs. Excl. nonrecr. gains (loss): '07, 3¢; '14, 2¢; '15, 48¢; '17, (35¢); '18, 7¢. '19, \$1.12. '19 EPS don't sum due to chng. in shs. Next egs. report due mid-Feb. (C) Div's histor. pd. early Mar., June, Sept., and Dec. = Div'd relnv. plan avail. (2% disc.). (D) Incl. Intang. in '19: \$35.01/sh. (E) In mill. (F) Rates all'd on com. eq.: 8.3%-10.32%; eam. on avg. com. eq.: '19: 7.6%. Regul. Cilm.: FERC, Above Avg.; AZ, Avg.; NY, Below Avg. (G) Excl. div's pd. via relnv. plan. Company's Financial Strength B++ Stock's Price Stability 100 Price Growth Persistence 45 Earnings Predictability 75 To subscribe call 1-800-VALUELINE

# MGE ENERGY INC. NDQ-MGEE

RECENT PRICE **68.67** P/E RATIO **25.9** (Trailing: 26.0 Median: 20.0) RELATIVE P/E RATIO **1.24** DIV'D YLD **2.2%** VALUE LINE **912**



## 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

13.89	16.73	16.13	16.33	17.35	15.40	15.36	15.76	15.61	17.04	17.88	16.27	15.71	16.24	16.15	16.41	14.95	15.50	Revenues per sh	17.25
1.92	2.00	2.34	2.46	2.68	2.66	2.76	2.94	2.98	3.28	3.49	3.33	3.47	3.73	4.06	4.57	4.73	4.95	"Cash Flow" per sh	5.50
1.18	1.05	1.37	1.51	1.59	1.47	1.67	1.76	1.86	2.16	2.32	2.06	2.18	2.20	2.43	2.51	2.65	2.75	Earnings per sh <sup>A</sup>	3.00
.91	.92	.93	.94	.96	.97	.99	1.01	1.04	1.07	1.11	1.16	1.21	1.26	1.32	1.38	1.45	1.52	Div'd Decl'd per sh <sup>B+†</sup>	1.80
3.13	2.80	2.94	4.14	3.08	2.35	1.76	1.88	2.84	3.43	2.67	2.08	2.41	3.12	6.12	4.73	6.10	4.55	Cap'l Spending per sh	4.50
11.06	11.21	11.93	12.99	13.92	14.47	15.14	15.89	16.71	17.81	19.02	19.92	20.89	22.45	23.56	24.68	27.15	28.40	Book Value per sh <sup>C</sup>	32.00
30.59	30.68	31.46	32.93	34.36	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	Common Shs Outst'g <sup>D</sup>	36.16
18.0	22.4	15.9	15.0	14.2	15.1	15.0	15.8	17.2	17.0	17.2	20.3	24.9	29.4	25.1	28.4	28.4	28.4	Avg Ann'l P/E Ratio	24.0
.95	1.19	.86	.80	.85	1.01	.95	.99	1.09	.96	.91	1.02	1.31	1.48	1.36	1.52	1.52	1.52	Relative P/E Ratio	1.50
4.3%	3.9%	4.3%	4.1%	4.2%	4.4%	4.0%	3.6%	3.2%	2.9%	2.8%	2.8%	2.2%	2.0%	2.2%	1.9%	1.9%	1.9%	Avg Ann'l Div'd Yield	2.5%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$540.1 mill. Due in 5 Yrs \$91.8 mill.  
 LT Debt \$520.4 mill. LT Interest \$23.6 mill.  
 (LT interest earned: 5.8x)

Leases, Uncapitalized Annual rentals \$1.9 mill.	532.6	546.4	541.3	590.9	619.9	564.0	544.7	563.1	559.8	568.9	540	560	Revenues (\$mill)	625					
Pension Assets-12/19 \$386.0 mill.	57.7	60.9	64.4	74.9	80.3	71.3	75.6	76.1	84.2	86.9	95.0	100	Net Profit (\$mill)	110					
Pfd Stock None	36.9%	37.1%	37.7%	37.5%	37.5%	36.7%	36.0%	36.4%	24.6%	18.5%	16.5%	16.5%	Income Tax Rate	16.5%					
Common Stock 36,163,370 shs. as of 10/31/20	38.9%	39.6%	38.2%	39.3%	37.5%	36.2%	34.6%	33.8%	37.7%	38.0%	35.0%	35.0%	AFUDC % to Net Profit	3.0%					
MARKET CAP: \$2.5 billion (Mid Cap)	61.1%	60.4%	61.8%	60.7%	62.5%	63.8%	65.4%	66.2%	62.3%	62.0%	65.0%	65.0%	Long-Term Debt Ratio	37.5%					
<b>ELECTRIC OPERATING STATISTICS</b>	859.4	911.9	937.9	1016.9	1054.7	1081.5	1106.9	1176.3	1310.0	1379.4	1505	1575	Total Capital (\$mill)	1850					
% Change Retail Sales (KWH)	968.0	995.6	1073.5	1160.2	1208.1	1243.4	1282.1	1341.4	1509.4	1642.7	1790	1875	Net Plant (\$mill)	2150					
Avg. Indust. Use (MWH)	7.6%	7.8%	7.9%	8.3%	8.6%	7.5%	7.7%	7.3%	7.2%	7.1%	7.0%	7.0%	Return on Total Cap'l	6.5%					
Avg. Indust. Ret. per KWH (¢)	11.0%	11.1%	11.1%	12.1%	12.2%	10.3%	10.4%	9.8%	10.3%	10.2%	9.5%	9.5%	Return on Shr. Equity	9.5%					
Capacity at Peak (MW)	11.0%	11.1%	11.1%	12.1%	12.2%	10.3%	10.4%	9.8%	10.3%	10.2%	9.5%	9.5%	Return on Com Equity <sup>D</sup>	9.5%					
Peak Load, Summer (MW)	4.4%	4.7%	4.9%	6.1%	6.4%	4.5%	4.7%	4.2%	4.7%	4.6%	4.5%	4.5%	Retained to Com Eq	4.0%					
Annual Load Factor (%)	60%	57%	56%	50%	48%	56%	55%	57%	54%	55%	54%	55%	All Div's to Net Prof	60%					
% Change Customers (avg.)																			

**BUSINESS:** MGE Energy, Inc. is a holding company for Madison Gas and Electric Company (MGE), which provides electric service to 155,000 customers in Dane County and gas service to 163,000 customers in seven counties in Wisconsin. Electric revenue breakdown, '19: residential, 35%; commercial, 53%; industrial, 3%; other, 9%. Generating sources, '19: coal, 50%; gas, 14%; renewables, 14%; purchased power, 22%. Fuel costs: 34% of revenues. '19 reported depreciation rates: electric, 3.6%, gas, 2.1%; nonregulated, 2.3%. Has about 700 employees. Chairman, President & CEO: Jeffrey M. Keebler. Incorporated: Wisconsin. Address: 133 South Blair Street, P.O. Box 1231, Madison, Wisconsin 53701-1231. Telephone: 608-252-7000. Internet: www.mgeenergy.com.

### MGE Energy's utility subsidiary is awaiting an order on its regulatory settlement.

Madison Gas and Electric reached a settlement calling for no change in electric rates and a \$6.7 million (4%) rise in gas rates. The earning power of the electric business would increase, despite the lack of rate hike, because capital spending would be placed in the rate base. Declines in costs, which are being passed through to customers, are the reason for no change in electric prices. The allowed return on equity would be 9.8%, and the common-equity ratio would be 55.85%. An order is expected by yearend, with new tariffs taking effect at the start of 2021.

**Earnings are likely to rise in 2020 and 2021, despite the weak economy.** MGE benefited from favorable weather patterns in the first six months of 2020. The utility's service area was better able to recover from the lockdown earlier this year because it does not have a large industrial sector, and the state government was not subject to the lockdown. Moreover, MGE is able to defer for future recovery of expenses associated with the coronavirus. We assume in our 2021 estimate that the

14%; purchased power, 22%. Fuel costs: 34% of revenues. '19 reported depreciation rates: electric, 3.6%, gas, 2.1%; nonregulated, 2.3%. Has about 700 employees. Chairman, President & CEO: Jeffrey M. Keebler. Incorporated: Wisconsin. Address: 133 South Blair Street, P.O. Box 1231, Madison, Wisconsin 53701-1231. Telephone: 608-252-7000. Internet: www.mgeenergy.com.

aforementioned regulatory settlement is approved.

A solar project was completed in early November, and others will be built in the next two years. MGE has a one-third stake (50 megawatts) in this project, which cost \$65 million. Two similar projects are scheduled for commercial operation in April of 2021 and December of 2022. A 20-mw project is scheduled for completion in mid-2021 at a cost of \$32 million. This will be used to serve commercial customers who choose a renewable-energy tariff.

**Finances are sound.** The common-equity ratio and fixed-charge coverage are well above the utility norms. Earned returns on equity are healthy. MGE Energy merits a Financial Strength rating of A+.

**This high-quality stock is untimely and its dividend yield is low, by utility standards.** In fact, this is only about equal to the median of all dividend-paying issues under our coverage. Total return potential is appealing for the 18-month span, but not for the 3- to 5-year period. The recent quotation is well within our 2023-2025 Target Price Range.

Paul E. Debbas, CFA December 11, 2020

(A) Diluted earnings. Excludes nonrecurring gain: '17, 62¢. '19 earnings don't sum due to rounding. Next earnings report due late Feb.	June, September, and December. † Dividend reinvestment plan available. ‡ Shareholder investment plan available. (C) Includes regulatory assets. In '19: \$167.0 mill, \$4.82/sh.	(D) In millions, adjusted for split. (E) Rate allowed on common equity in '19: 9.8%; earned on common equity, '19: 10.4%. Regulatory Climate: Above Average.	Company's Financial Strength A+ Stock's Price Stability 95 Price Growth Persistence 75 Earnings Predictability 100
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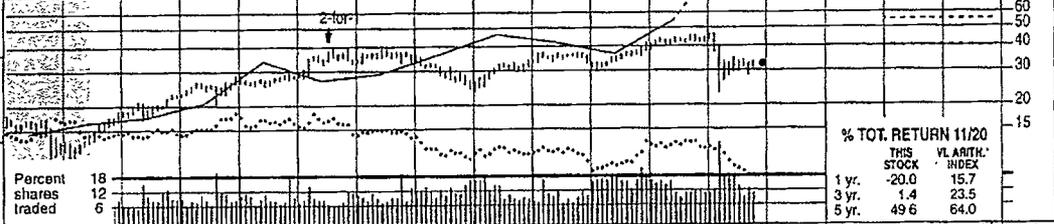
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# OGE ENERGY CORP. NYSE-OGE

RECENT PRICE **32.39** P/E RATIO **15.7** (Trading: 15.9 Median: 17.0) RELATIVE P/E RATIO **0.75** DIV'D YLD **5.0%** VALUE LINE **913**

**TIMELINESS** 3 Lowered 3/8/20  
**SAFETY** 2 Lowered 12/18/15  
**TECHNICAL** 4 Raised 11/20/20  
**BETA** 1.13 (1.00 = Market)  
**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$23-\$62 \$43 (30%)

**LEGENDS**  
 0.76 x Dividends p sh  
 Divided by Interest Rate  
 Relative P/E Strength  
 2-for-1 split 7/13  
 Options: Yes  
 Shaded area indicates recession



**2023-25 PROJECTIONS**  
 High Price Gain Ann'l Total  
 Low 40 (+25%) 18% 10%

**Institutional Decisions**  
 4Q2019 1Q2020 2Q2020  
 to Buy 205 176 203  
 to Sell 185 221 182  
 Held (000) 133273 128569 129209

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Value Line Pub. LLC	23-25
27.37	32.83	21.96	20.68	21.77	14.79	19.04	19.96	18.58	14.45	12.30	11.00	11.31	11.32	11.37	11.15	10.50	11.50	Revenues per sh	13.75
1.87	1.94	2.23	2.39	2.40	2.69	3.01	3.31	3.69	3.46	3.40	3.23	3.31	3.34	3.74	4.02	4.05	4.40	"Cash Flow" per sh	5.25
.89	.92	1.23	1.32	1.25	1.33	1.50	1.73	1.79	1.94	1.98	1.69	1.69	1.92	2.12	2.24	2.05	2.25	Earnings per sh A	2.50
.67	.67	.67	.68	.70	.71	.73	.76	.80	.85	.95	1.05	1.16	1.27	1.40	1.51	1.58	1.68	Div'd Decl'd per sh B	1.95
1.51	1.65	2.67	3.04	4.01	4.37	4.36	6.48	5.85	4.99	2.86	2.74	3.31	4.13	2.87	3.18	2.90	3.65	Cap'l Spending per sh	3.75
7.14	7.59	8.79	9.16	10.14	10.52	11.73	13.06	14.00	15.30	16.27	16.66	17.24	19.28	20.06	20.69	18.15	18.80	Book Value per sh C	20.75
180.00	181.20	182.40	183.60	167.00	194.00	195.20	196.20	197.60	198.50	199.40	199.70	199.70	199.70	199.70	200.10	200.00	200.00	Common Shs Outst'g D	200.00
14.1	14.9	13.7	13.8	12.4	10.8	13.3	14.4	15.2	17.7	18.3	17.7	17.7	18.3	16.5	19.0	19.0	19.0	Avg Ann'l P/E Ratio	19.5
.74	.79	.74	.73	.75	.72	.85	.90	.97	.99	.96	.89	.93	.92	.89	1.02	1.02	1.02	Relative P/E Ratio	1.10
5.3%	4.9%	4.0%	3.8%	4.5%	5.0%	3.7%	3.1%	2.9%	2.5%	2.6%	3.5%	3.9%	3.6%	4.0%	3.5%	3.5%	3.5%	Avg Ann'l Div'd Yield	4.0%

**CAPITAL STRUCTURE** as of 9/30/20  
 Total Debt \$3493.9 mill. Due in 5 Yrs \$79.4 mill.  
 LT Debt \$3493.9 mill. LT Interest \$150.2 mill.  
 (LT Interest earned: 3.9%)

Leases, Uncapitalized Annual rentals \$6.2 mill.

Pension Assets-12/19 \$530.3 mill.  
 Pfd Stock None Oblig \$616.9 mill.

Common Stock 200,020,017 shs.

**MARKET CAP: \$6.5 billion (Large Cap)**

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
3716.9	3915.9	3671.2	2867.7	2453.1	2196.9	2259.2	2261.1	2270.3	2231.6	2100	2300	2100	2300	2100	2300	2100	2300	Revenues (\$mill)	2750
295.3	342.9	355.0	387.6	395.8	337.6	348.3	328.2	384.3	425.5	449.6	415	450	415	450	415	450	415	Net Profit (\$mill)	520
34.9%	30.7%	26.0%	24.9%	30.4%	29.2%	30.5%	32.5%	14.5%	7.4%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	Income Tax Rate	13.0%
5.7%	9.0%	2.7%	2.6%	1.7%	3.7%	6.4%	15.0%	8.3%	1.6%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	AFUDC % to Net Profit	2.0%
50.8%	51.6%	50.7%	43.1%	45.9%	44.3%	41.1%	41.7%	42.0%	43.6%	49.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	Long-Term Debt Ratio	49.0%
49.2%	48.4%	49.3%	56.9%	54.1%	55.7%	58.9%	58.3%	58.0%	56.4%	51.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	Common Equity Ratio	51.0%
4652.5	5300.4	5615.8	5337.2	5999.7	5971.6	5849.6	6600.7	6902.0	7334.7	7130	7250	7250	7250	7250	7250	7250	7250	Total Capital (\$mill)	8100
6464.4	7474.0	8344.8	6672.8	6979.9	7322.4	7696.2	8339.9	8643.8	9044.6	9225	9525	9525	9525	9525	9525	9525	9525	Net Plant (\$mill)	10275
7.8%	7.8%	7.7%	8.6%	7.8%	6.9%	7.0%	7.0%	7.0%	7.1%	7.0%	7.0%	7.0%	7.0%	7.1%	7.0%	7.0%	7.0%	Return on Total Cap'l	7.5%
12.9%	13.4%	12.8%	12.8%	12.2%	10.2%	9.8%	10.0%	10.6%	10.9%	11.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	Return on Shr. Equity	12.5%
12.9%	13.4%	12.8%	12.8%	12.2%	10.2%	9.8%	10.0%	10.6%	10.9%	11.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	Return on Com Equity E	12.5%
6.7%	7.7%	7.2%	7.3%	6.5%	4.0%	3.3%	3.5%	3.8%	3.6%	2.5%	3.5%	3.5%	3.5%	3.8%	3.6%	2.5%	3.5%	Retained to Com Eq	3.0%
48%	43%	44%	43%	47%	61%	67%	64%	64%	67%	76%	73%	73%	73%	73%	73%	73%	73%	All Div'ds to Net Prof	75%

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (RWS)	-2.2	+6.8	+1.1
Avg. Indust. Use (MWh)	NA	NA	NA
Avg. Indust. Rev. per MWh (¢)	5.30	4.86	4.69
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	6456	6863	6817
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.0	+9	+1.0

Fixed Charge Cov (%) 315 292 335

**ANNUAL RATES** Past 10 Yrs. 5 Yrs. Est'd '17-'19 to '23-'25

Rate	2017	2018	2019	2020	2021
Revenues	-5.0%	-5.5%	3.5%	4.0%	1.0%
"Cash Flow"	4.0%	1.0%	6.0%	5.0%	2.0%
Earnings	7.0%	10.0%	6.0%	7.0%	10.0%
Dividends	7.0%	10.0%	6.0%	7.0%	10.0%
Book Value	7.0%	5.5%	.5%		

**QUARTERLY REVENUES (\$mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	456.0	586.4	716.8	501.9	2261.1
2018	492.7	567.0	698.8	511.8	2270.3
2019	490.0	513.7	755.4	472.5	2231.6
2020	431.3	503.5	702.1	463.9	2100
2021	500	550	750	500	2300

**EARNINGS PER SHARE A**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.18	.52	.92	.30	1.92
2018	.27	.55	1.02	.27	2.12
2019	.24	.50	1.25	.26	2.24
2020	.23	.51	1.04	.27	2.05
2021	.25	.55	1.20	.25	2.25

**QUARTERLY DIVIDENDS PAID B**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.275	.275	.275	.3025	1.13
2017	.3025	.3025	.3025	.3325	1.24
2018	.3325	.3325	.3325	.365	1.36
2019	.365	.365	.365	.3875	1.48
2020	.3875	.3875	.3875	.4025	

**BUSINESS:** OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 865,000 customers in Oklahoma (84% of electric revenues) and western Arkansas (8%); wholesale is (8%). Owns 25.5% of Enable Midstream Partners. Electric revenue breakdown: residential, 40%; commercial, 23%; industrial, 10%; oilfield, 9%; other, 18%. Genera-

**OGE Energy's stock price continues to be held back by the poor performance of the units of Enable Midstream Partners.** OGE has a 25.5% stake in Enable, a midstream gas master limited partnership that has been hurt by difficult conditions in the gas and oil industry. This has affected not only OGE's quotation, but its equity income and cash from distributions after Enable's board cut the payout. So far this year, the price of OGE stock has fallen 27%, far worse than most utility issues.

**We have cut our 2020 earnings estimate by \$0.05 a share.** Unusually cool summer weather conditions hurt the third-quarter earnings comparison. Our revised estimate of \$2.05 a share is near the upper end of management's targeted range of \$2.00-\$2.06.

**We continue to expect improved earnings in 2021.** We assume normal weather patterns in our estimate. The economy will likely be in better shape, too, although we note that the utility's service territory has fared better than the national economy in 2020. Revenues from a grid-enhancement plan will help, too.

**The Oklahoma Corporation Commission approved a grid-enhancement plan.** Oklahoma Gas and Electric plans to spend \$810 million through 2024. The utility will receive \$7 million in revenues for this plan in 2021 and 2022, and file a rate case by the end of the first quarter of 2022.

**The utility filed for an increase in Arkansas under the state's formula rate plan.** OG&E is seeking \$7 million, which would take effect at the start of April. The company has reached settlements in previous formula rate requests.

**The board of directors raised the dividend, effective with the October payment.** The increase was \$0.06 a share (3.9%) annually, smaller than in recent years. We believe this deceleration reflects the situation with Enable. We project better dividend growth by 2023-2025.

**This stock offers an attractive dividend yield.** The yield is more than one percentage point above the utility average. In addition, total return potential is superior for both the 18-month span and the 3- to 5-year period.

Paul E. Debbas, CFA December 11, 2020

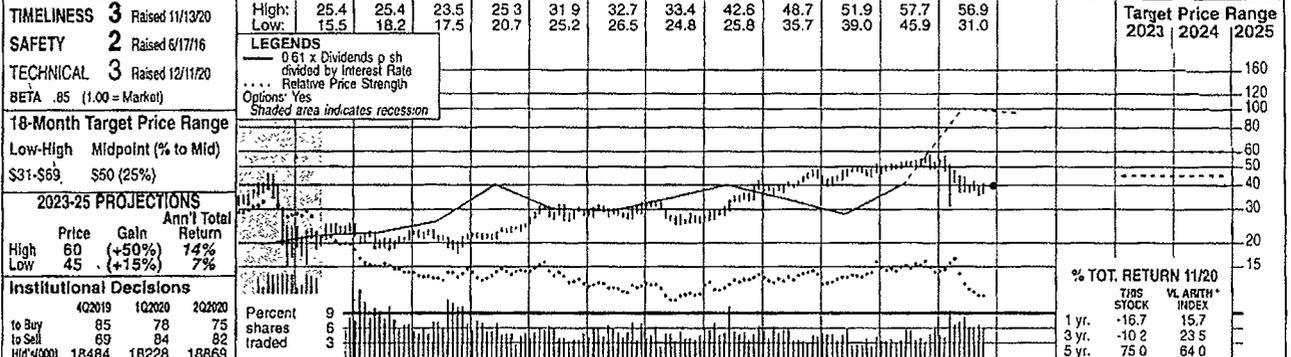
(A) Diluted EPS. Excl. nonrecurring gain (losses): '04, (3c); '15, (33c); '17, \$1.18; '19, (8c); '20, (\$2.95); gains on discount. ops.: '05, 25c; '06, 20c. '18 & '19 EPS don't sum due to rounding. Next earnings report due late Feb. (B) Div'ds historically paid in late Jan., Apr., July, & Oct. = Div'd reinvestment plan avail. (C) Incl. delinquent charges. In '19: \$1.53sh. (D) In mill., adj. for split. (E) Rate base; Net original cost. Rate allowed on com. eq. in OK in '19: 9.5%; in AR in '18: 9.5%; earned on avg. com. eq., '19, 11.0%. Regulatory Climate: Average.

Company's Financial Strength A  
 Stock's Price Stability 80  
 Price Growth Persistence 35  
 Earnings Predictability 85

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# OTTER TAIL CORP. NDQ:OTTR

RECENT PRICE **39.82** P/E RATIO **16.4** (Trailing: 16.6 Median: 22.0) RELATIVE P/E RATIO **0.78** DIV'D YLD **3.9%** VALUE LINE **914**



Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues per sh	30.45	35.59	37.43	41.50	37.06	29.03	31.08	29.86	23.76	24.63	21.48	20.60	20.42	21.47	23.10	22.90	21.20	22.85	22.85	26.75	26.75	26.75
"Cash Flow" per sh	2.88	3.35	3.39	3.55	2.81	2.76	2.60	2.36	2.71	3.02	3.09	3.14	3.44	3.70	3.96	4.11	4.25	4.55	4.55	5.25	5.25	5.25
Earnings per sh <sup>A</sup>	1.50	1.78	1.69	1.78	1.09	.71	.38	.45	1.05	1.37	1.55	1.56	1.60	1.86	2.06	2.17	2.30	2.45	2.45	3.00	3.00	3.00
Div'd Decl'd per sh <sup>B</sup>	1.10	1.12	1.15	1.17	1.19	1.19	1.19	1.19	1.19	1.21	1.23	1.25	1.28	1.34	1.40	1.48	1.56	1.56	1.56	1.80	1.80	1.80
Cap'l Spending per sh	1.72	2.04	2.35	5.43	7.51	4.95	2.38	2.04	3.20	4.53	4.40	4.23	4.10	3.36	2.66	5.16	9.15	3.75	3.75	3.00	3.00	3.00
Book Value per sh <sup>C</sup>	14.81	15.80	16.67	17.55	19.14	18.78	17.57	15.83	14.43	14.75	15.39	15.98	17.03	17.62	18.38	19.46	20.85	21.70	21.70	24.50	24.50	24.50
Common Shs Outs'g <sup>D</sup>	28.98	29.40	29.52	29.85	35.38	35.81	36.00	36.10	35.17	36.27	37.22	37.86	39.35	39.56	39.66	40.16	41.50	41.60	41.60	42.00	42.00	42.00
Avg Ann'l P/E Ratio	17.3	15.4	17.3	19.0	30.1	31.2	55.1	47.5	21.7	21.1	18.8	18.2	20.2	22.1	22.2	23.5	22.2	22.2	22.2	17.0	17.0	17.0
Relative P/E Ratio	.91	.82	.93	1.01	1.81	2.08	3.51	2.98	1.38	1.19	.99	.92	1.06	1.11	1.20	1.26	1.26	1.26	1.26	.95	.95	.95
Avg Ann'l Div'd Yield	4.2%	4.1%	3.9%	3.5%	3.6%	5.4%	5.7%	5.6%	5.2%	4.1%	4.1%	4.3%	3.9%	3.1%	2.9%	2.7%	2.9%	2.7%	2.7%	3.5%	3.5%	3.5%

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues (\$mill)	1119.1	1077.9	859.2	893.3	799.3	779.8	803.5	849.4	916.4	919.5	880	950	950	1125	1125	1125	1125	1125	1125	1125	1125	1125
Net Profit (\$mill)	13.6	16.4	39.0	50.2	56.9	58.6	62.0	73.9	82.3	86.8	95.0	105	105	125	125	125	125	125	125	125	125	125
Income Tax Rate	6%	3.8%	1.7%	5.6%	3.9%	3.5%	2.2%	2.3%	4.1%	4.9%	8.0%	4.0%	4.0%	2.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
AFUDC % to Net Profit	40.2%	44.6%	44.0%	42.1%	46.5%	42.4%	43.0%	41.3%	44.7%	46.9%	42.0%	45.0%	45.0%	45.5%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
Long-Term Debt Ratio	58.4%	54.0%	54.4%	57.9%	53.5%	57.6%	57.0%	58.7%	55.3%	53.1%	58.0%	55.0%	55.0%	54.5%	53.1%	58.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
Common Equity Ratio	1083.3	1058.9	959.2	924.4	1071.3	1051.0	1175.4	1187.3	1318.9	1471.1	1490	1640	1640	1900	1900	1900	1900	1900	1900	1900	1900	1900
Total Capital (\$mill)	1108.7	1077.5	1049.5	1167.0	1268.5	1387.8	1477.2	1539.6	1591.1	1753.8	2050	2120	2120	2275	2275	2275	2275	2275	2275	2275	2275	2275
Net Plant (\$mill)	2.7%	3.2%	5.7%	6.8%	6.7%	6.8%	6.5%	7.3%	7.3%	7.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Return on Total Cap'l	2.1%	2.8%	7.3%	9.4%	9.9%	9.7%	9.3%	10.6%	11.3%	11.1%	11.0%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Return on Shr. Equity <sup>E</sup>	2.0%	2.7%	7.3%	9.3%	9.9%	9.7%	9.3%	10.6%	11.3%	11.1%	11.0%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Return on Com Equity	NMF	NMF	NMF	1.2%	2.2%	2.0%	2.1%	3.3%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.5%	4.5%	4.5%
Retained to Com Eq	NMF	NMF	113%	87%	78%	79%	78%	69%	65%	64%	64%	63%	63%	63%	63%	63%	63%	63%	63%	62%	62%	62%
All Div'ds to Net Prof																						

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$813.1 mill. Due in 5 Yrs \$197.7 mill.  
 LT Debt \$784.3 mill. LT Interest \$35.1 mill.  
 (LT interest earned: 4.3x)

Leases, Uncapitalized Annual rentals \$22.3 mill.  
 Pension Assets-12/19 \$329.8 mill.  
 Oblig \$384.8 mill.

Pfd Stock None

Common Stock 41,064,051 shs. as of 10/31/20

MARKET CAP: \$1.6 billion (Mid Cap)

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (KWH)	+1.4	+3.4	-2
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Rev. per KWH (¢)	6.26	5.97	NA
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Winter (MW)	917	912	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+5	+2	+1

Fixed Charge Cov. (%) 608 409 407

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19
Revenues	-4.5%	-5%	3.0%
"Cash Flow"	2.5%	6.0%	5.0%
Earnings	5.5%	9.0%	6.5%
Dividends	1.5%	2.5%	5.0%
Book Value	-	4.5%	5.0%

**Business:** Otter Tail Corporation is the parent of Otter Tail Power Company, which supplies electricity to 132,000 customers in Minnesota (52% of retail electric revenues), North Dakota (38%), and South Dakota (10%). Electric rev. breakdown: residential, 32%; commercial & farms, 36%; industrial, 30%; other, 2%. Generating sources: coal, 45%; wind & hydro, 8%; other, 1%; purchased, 46%.

**Two large construction projects are scheduled for completion soon.** A 150-megawatt wind project, the largest in Otter Tail Power's history, is slated for commercial operation by yearend at an expected cost of \$260 million. A 245-mw gas-fired plant is scheduled for commercial operation in the first quarter of 2021 at an expected cost of \$152.5 million. Separately, the utility has submitted 12 potential projects with the Minnesota commission for a total capital investment of \$153 million-\$173 million.

**This stock's dividend yield is slightly above the utility average.** Despite Otter Tail's improved prospects, the stock price is down 22% in 2020. Total return potential is appealing for the next 18 months, but unexciting for the 2023-2025 period.

**Paul E. Debbas, CFA**  
 December 11, 2020

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	214.1	212.1	216.5	206.7	849.4
2018	241.2	226.3	227.7	221.2	916.4
2019	246.0	229.2	228.6	215.7	919.5
2020	234.7	192.8	235.8	216.7	880
2021	250	235	245	220	950

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.49	.42	.45	.50	1.86
2018	.66	.47	.58	.35	2.06
2019	.66	.39	.62	.51	2.17
2020	.60	.42	.87	.41	2.30
2021	.68	.47	.80	.50	2.45

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.3125	.3125	.3125	.3125	1.25
2017	.32	.32	.32	.32	1.28
2018	.335	.335	.335	.335	1.34
2019	.35	.35	.35	.35	1.40
2020	.37	.37	.37	.37	1.48

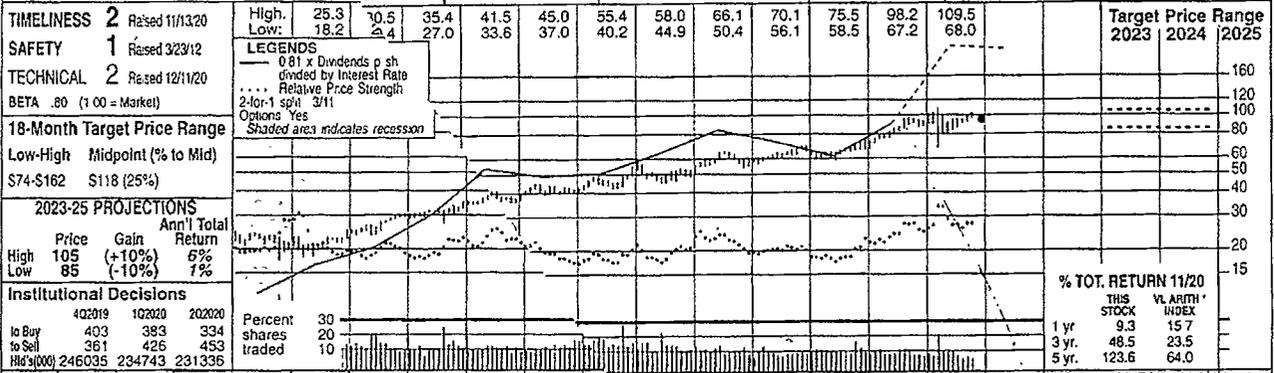
(A) Dil. EPS. Excl. nonrec. gains (loss): '10, (44¢); '11, 26¢; '13, 2¢; gains (losses) from disc. ops.: '04, 8¢; '05, 33¢; '06, 1¢; '11, (\$1.11); '12, (\$1.22); '13, 2¢; '14, 2¢; '15, 2¢; '16, 1¢; '17, 1¢. '19 EPS don't sum due to mdg. Next egs. rept. due mid-Feb. (B) Div'ds histor. pd. in early Mar., Jun., Sept., & Dec. '19 Div'd reinv. plan avail. (C) Incl. intang. in '19: \$4.67/sh. (D) In mill. (E) Rate all'd on com. eq. in MN in '17: 9.41%; in ND in '18: 9.77%; in SD in '19: 8.75%; earn. avg. com. eq., '19 '11.6%. Reg. Clm: MN, ND, Avg; SD, Above Avg

Company's Financial Strength A  
 Stock's Price Stability 95  
 Price Growth Persistence 90  
 Earnings Predictability 70

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# WEC ENERGY GROUP NYSE:WEC

RECENT PRICE **94.95** P/E RATIO **24.6** (Trailing: 25.0 Median: 18.0) RELATIVE P/E RATIO **1.18** DIV'D YLD **2.8%** VALUE LINE **915**



**TIMELINESS** 2 Raised 11/13/20  
**SAFETY** 1 Raised 3/23/12  
**TECHNICAL** 2 Raised 12/11/20  
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$74-\$162 \$118 (25%)

**2023-25 PROJECTIONS**

Price	Gain	Ann'l Total
High 105	(+10%)	Return 6%
Low 85	(-10%)	Return 1%

**Institutional Decisions**

	4Q2019	1Q2020	2Q2020
In Buy	403	383	334
To Sell	361	426	453
Net Buy	246035	234743	231336

Percent shares traded: 30, 20, 10

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
14.68	16.31	17.08	18.12	18.95	17.65	17.98	19.46	18.54	20.00	22.11	18.77	23.88	24.24	24.34	23.85	22.85	23.80	22.85	23.80	24.34	25.85	27.00	
2.58	2.89	2.90	2.98	2.95	3.11	3.30	3.68	4.01	4.33	4.47	3.87	5.39	5.69	6.04	6.35	6.85	7.35	7.85	8.35	8.85	9.35	9.80	
.93	1.28	1.32	1.42	1.52	1.60	1.92	2.18	2.35	2.51	2.59	2.34	2.96	3.14	3.34	3.58	3.75	3.95	4.15	4.35	4.55	4.75	4.75	
4.2	.44	.46	.50	.54	.68	.80	1.04	1.20	1.45	1.56	1.74	1.98	2.08	2.21	2.36	2.53	2.70	2.87	3.04	3.21	3.38	3.20	
2.85	3.40	4.17	5.28	4.86	3.50	3.41	3.60	3.09	3.04	3.26	4.91	4.51	6.21	6.71	7.17	9.50	9.90	10.30	10.70	11.10	11.50	9.25	
10.65	11.46	12.35	13.25	14.27	15.26	16.26	17.20	18.05	18.73	19.60	27.41	28.29	29.98	31.02	32.06	33.15	34.25	35.35	36.45	37.55	38.65	38.00	
233.97	233.96	233.94	233.89	233.84	233.82	233.77	230.49	229.04	225.96	225.52	315.69	315.62	315.57	315.52	315.43	315.43	315.43	315.43	315.43	315.43	315.43	315.43	315.43
17.5	14.5	16.0	16.5	14.8	13.3	14.0	14.2	15.8	16.5	17.7	21.3	19.9	20.0	19.6	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	
.92	.77	.86	.88	.89	.89	.89	.89	1.01	.93	.93	1.07	1.04	1.01	1.06	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	
2.6%	2.4%	2.2%	2.1%	2.4%	3.2%	3.0%	3.3%	3.2%	3.5%	3.4%	3.5%	3.3%	3.3%	3.4%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$13020 mill. Due in 5 Yrs \$5069.2 mill.  
 LT Debt \$11653 mill. LT Interest \$517.7 mill  
 Incl \$12.1 mill capitalized leases.  
 (LT interest earned 3.8%)  
 Leases, Uncapitalized Annual rentals \$6.8 mill.  
 Pension Assets-12/19 \$3007.0 mill.  
 Oblig \$3123.7 mill.  
 Pfd Stock \$30.4 mill. Pfd Div'd \$1.2 mill.  
 260,000 shs. 3.60%, \$100 par, callable. \$101;  
 44,498 shs. 6%, \$100 par.  
 Common Stock 315,434,531 shs.

**MARKET CAP: \$30 billion (Large Cap)**

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (KWH)	-3.0	+2.5	-2.5
Avg Indust Use (MWH)	NA	NA	NA
Avg Lg C&I Use per MWH (c)	7.13	7.05	7.25
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+7	+7	+6

**ANNUAL RATES**

	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	3.0%	3.5%	2.0%
"Cash Flow"	7.5%	7.5%	6.5%
Earnings	8.5%	6.0%	6.0%
Dividends	14.5%	9.5%	6.5%
Book Value	8.0%	10.5%	3.5%

**QUARTERLY REVENUES (\$mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	2304	1631	1657	2055	7648.5
2018	2286	1672	1643	2076	7679.5
2019	2377	1590	1608	1947	7523.1
2020	2109	1549	1651	1891	7200
2021	2250	1600	1700	1950	7500

**EARNINGS PER SHARE**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.12	.63	.68	.71	3.14
2018	1.23	.73	.74	.65	3.34
2019	1.33	.74	.74	.77	3.58
2020	1.43	.76	.84	.72	3.75
2021	1.50	.80	.85	.80	3.95

**QUARTERLY DIVIDENDS PAID**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.495	.495	.495	.495	1.98
2017	.52	.52	.52	.52	2.08
2018	.5525	.5525	.5525	.5525	2.21
2019	.59	.59	.59	.59	2.36
2020	.6325	.6325	.6325	.6325	2.53

**BUSINESS:** WEC Energy Group, Inc. (formerly Wisconsin Energy) is a holding company for utilities that provide electric, gas & steam service in WI & gas service in IL, MN, & MI. Customers: 1.6 mill. elec., 2.9 mill. gas. Acq'd Integrys Energy 6/15. Sol'd Point Beach nuclear plant in '07. Electric revenue breakdown: residential, 35%; small commercial & industrial, 32%; large commercial & industrial,

**WEC Energy Group is about to wrap up another solid year.** The company has realized consistent earnings growth in recent years (with 2015 being an exception due to the effects of an acquisition), and this almost certainly happened again in 2020, despite the recession. Management has cut costs to offset the effects of declines in kilowatt-hour sales, and the company has received authorization to defer for future recovery most of its coronavirus-related expenses. Peoples Gas in Chicago benefits from a regulatory mechanism that enables it to recover the \$280 million-\$300 million it spends annually to replace gas mains. Increased investment in nonutility wind projects (see below) are also contributing to profit growth. Our 2020 earnings estimate is at the midpoint of WEC Energy's guidance of \$3.74-\$3.76 a share. A continuation of these factors and a better economy should produce profit growth in 2021 in line with with the company's annual target of 5%-7%.

**A dividend announcement probably came shortly after our report went to press.** This has been WEC's practice in recent years. We estimate an increase of

21%; other, 12%. Generating sources: coal, 36%; gas, 29%; renewables, 4%; purchased, 31%. Fuel costs: 36% of revenues. '19 reported deprec rates: 2.3%-3.2%. Has 7,500 employees. Chairman: Gale E. Klappa. President & CEO: Kevin Fletcher, Inc. WI Address: 231 W. Michigan St., P.O. Box 1331, Milwaukee, WI 53201. Tel: 414-221-2345. Internet: www.wecenergygroup.com.

**\$0.17 a share (6.7%) annually.** The company's goals for the dividend are a growth rate of 5%-7% and a payout ratio of 65%-70%. The announcement isn't official until the declaration from the board of directors. **A nonutility subsidiary is expanding its investment in wind energy.** Three projects will be for 428 megawatts of capacity at a cost of \$618 million. Three others (705 mw at a cost of \$1 billion) are under construction. WEC Energy expects to spend \$2.2 billion on this business from 2021 through 2025. This should provide higher returns on investment than the regulated utilities earn.

**North Shore Gas filed a rate case.** The utility asked the Illinois regulators for a \$7.6 million (8.5%) hike, based on a 10% return on equity and a 52.5% common-equity ratio. New tariffs are expected to take effect in September.

**This top-quality stock is timely, but has a high valuation.** The price has risen 3% in what has been a bad year for most utility issues. The dividend yield is well below average for a utility, and 3- to 5-year total return potential is low. *Paul E. Debbas, CFA December 11, 2020*

(A) Diluted EPS. Excl. gains on discount. ops.: '04, '77c, '11, '6c; nonrecurring gain: '17, 65c. '18 EPS don't sum due to rounding. Next earnings report due early Feb. (B) Div'ds paid in early Mar., June, Sept. & Dec. \* Div'd reinvest. plan avail. (C) Incl. intang. in '19: \$20.80/sh. (D) In mill., adj. for split. (E) Rate base: Net ong. cost. Rates alt'd on com. eq. in WI in '15: 10.0%-10.3%; in IL in '15: 9.05%; in MN in '19: 9.7%; in MI in '18: 9.9%; earned on avg. com. eq., '19: 11.4%. Regulatory Climate: WI, Above Avg.; IL, Below Avg.; MN & MI, Avg.

Company's Financial Strength A+  
 Stock's Price Stability 85  
 Price Growth Persistence 70  
 Earnings Predictability 95

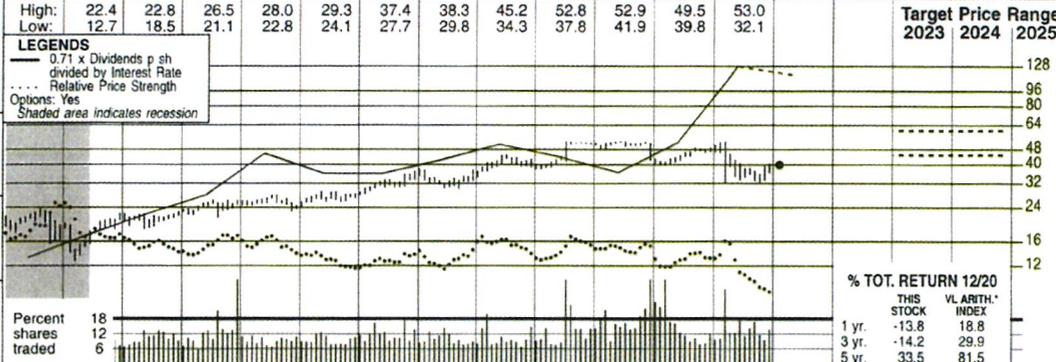
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# AVISTA CORP. NYSE-AVA

RECENT PRICE **39.97** P/E RATIO **19.3** (Trailing: 22.2 Median: 17.0) RELATIVE P/E RATIO **0.89** DIV'D YLD **4.2%** VALUE LINE

**TIMELINESS** 4 Lowered 11/6/20  
**SAFETY** 2 Raised 5/7/10  
**TECHNICAL** 5 Lowered 1/15/21  
**BETA** .95 (1.00 = Market)  
**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$26-\$66 \$46 (15%)  
**2023-25 PROJECTIONS**  
 High Price Gain Ann'l Total  
 Low 45 (+50%) 14% Return  
 15 (+15%) 7%



**Institutional Decisions**  
 10/2020 20/2020 30/2020  
 to Buy 122 109 105  
 to Sell 128 130 119  
 Net(000) 53448 51645 57100  
 Percent shares traded 18  
 12  
 6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
23.76	27.98	28.68	26.80	30.77	27.58	27.29	27.73	25.86	26.94	23.66	23.83	22.47	22.08	21.27	20.03	18.85	19.30	Revenues per sh	20.50
2.35	2.72	4.27	2.93	3.98	4.45	3.62	3.78	3.70	4.36	4.36	4.92	5.30	4.87	5.01	6.06	5.10	5.40	"Cash Flow" per sh	6.25
.73	.92	1.47	.72	1.36	1.58	1.65	1.72	1.32	1.85	1.84	1.89	2.15	1.95	2.07	2.97	1.85	2.10	Earnings per sh <sup>A</sup>	2.50
.52	.55	.57	.60	.69	.81	1.00	1.10	1.16	1.22	1.27	1.32	1.37	1.43	1.49	1.55	1.62	1.68	Div'd Decl'd per sh <sup>B</sup>	1.90
2.47	3.23	3.14	4.04	4.09	3.86	3.64	4.20	4.61	5.05	5.47	6.46	6.34	6.30	6.46	6.59	6.15	6.05	Cap'l Spending per sh	6.00
15.54	15.87	17.46	17.27	18.30	19.17	19.71	20.30	21.06	21.61	23.84	24.53	25.69	26.41	26.99	28.87	29.35	29.95	Book Value per sh <sup>C</sup>	32.25
48.47	48.59	52.51	52.91	54.49	54.84	57.12	58.42	59.81	60.08	62.24	62.31	64.19	65.49	65.69	67.18	69.00	70.00	Common Shs Outst'g <sup>D</sup>	73.00
24.4	19.4	15.4	30.9	15.0	11.4	12.7	14.1	19.3	14.6	17.3	17.6	18.8	23.4	24.5	15.0	21.7		Avg Ann'l P/E Ratio	20.5
1.29	1.03	.83	1.64	3.0	.76	.81	.88	1.23	.82	.91	.89	.99	1.18	1.32	.80	1.10		Relative P/E Ratio	1.15
2.9%	3.0%	2.5%	2.7%	4.4%	4.5%	4.8%	4.5%	4.6%	4.5%	4.0%	4.0%	3.4%	3.1%	2.9%	3.5%	4.0%		Avg Ann'l Div'd Yield	3.7%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$2262.8 mill. Due in 5 Yrs \$480.5 mill.  
 LT Debt \$2060.8 mill. LT Interest \$92.3 mill.  
 Incl. \$51.5 mill. debt to affiliated trusts; \$54.5 mill. capitalized leases.  
 (LT interest earned: 2.4x)  
**Leases. Uncapitalized Annual rentals \$4.4 mill.**  
**Pension Assets-12/19 \$642.1 mill.**  
 Oblig \$742.4 mill.  
**Pfd Stock None**  
**Common Stock 68,735,948 shs.**  
**as of 10/30/20**  
**MARKET CAP: \$2.7 billion (Mid Cap)**

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (KWH)	+4.7	-3.7	+2
Avg. Indust. Use (MWH)	1367	1344	1296
Avg. Indust. Revs per KWH (¢)	6.11	6.20	6.26
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw) <sup>F</sup>	1681	1716	1656
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.2	+1.4	+1.3

**ANNUAL RATES**

	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-3.0%	-3.5%	-5%
"Cash Flow"	3.5%	5.0%	2.5%
Earnings	6.5%	7.0%	1.0%
Dividends	8.0%	4.0%	4.0%
Book Value	4.0%	4.5%	2.5%

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	436.5	314.5	297.1	397.8	1445.9
2018	409.4	319.3	296.0	372.2	1396.9
2019	396.5	300.8	283.8	364.5	1345.6
2020	390.2	278.6	272.6	358.6	1300
2021	400	300	280	370	1350

**EARNINGS PER SHARE <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.96	.34	.07	.58	1.95
2018	.83	.39	.15	.70	2.07
2019	1.76	.38	.08	.76	2.97
2020	.72	.26	.07	.80	1.85
2021	.80	.40	.10	.80	2.10

**QUARTERLY DIVIDENDS PAID <sup>B</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.3575	.3575	.3575	.3575	1.43
2018	.3725	.3725	.3725	.3725	1.49
2019	.3875	.3875	.388	.3875	1.55
2020	.405	.405	.405	.405	1.62
2021					

**BUSINESS:** Avista Corporation (formerly The Washington Water Power Company) supplies electricity & gas in eastern Washington & northern Idaho. Supplies electricity to part of Alaska & gas to part of Oregon. Customers: 410,000 electric, 361,000 gas. Acq'd Alaska Electric Light and Power 7/14. Sold Ecova energy-management sub. 6/14. Electric rev. breakdown: residential, 39%; commercial, 33%; industrial, 11%; wholesale, 8%; other, 9%. Generating sources: gas & coal, 34%; hydro, 30%; purch., 36%. Fuel costs: 33% of revs. '19 reported depr. rate (Avista Utilities): 3.3%. Has 1,900 employees. Chairman: Scott L. Morris. Pres. & CEO: Dennis Vermillion. Inc.: WA. Address: 1411 E. Mission Ave., Spokane, WA 99202-2600. Tel.: 509-489-0500. Internet: www.avistacorp.com.

**Avista filed a general rate case in Washington.** The utility is seeking electric and gas rate increases of \$44.2 million (8.3%) and \$12.8 million (7.9%), respectively, based on a return on equity of 9.9% and a common-equity ratio of 50%. Avista is proposing to offset the effects of the base rate hike on customers by accelerating the pass-through of tax benefits, but any tariff increase would boost the company's earning power. An order is expected in time for new rates to take effect on October 1st. The utility plans to file for electric and gas hikes in Idaho in the current quarter, and an application in Alaska is under consideration. An order in Idaho is due seven months after the filing. Avista needs rate relief because its utilities, as a group, are underearning their allowed ROE considerably. Regulatory lag has been a problem in recent years.

**The utility received a gas rate hike in Oregon.** The commission approved a settlement calling for an increase of \$4.4 million (6.3%), based on an ROE of 9.4% and a common-equity ratio of 50%. New tariffs took effect on January 15th. Another application is possible this year.

**We expect higher earnings in 2021.** Our 2020 estimate is at the midpoint of management's targeted range of \$1.75-\$1.95 a share, which was affected by an unfavorable regulatory order in the March quarter, some coronavirus-related costs, and losses from the company's nonutility activities. A \$1.01-a-share merger-breakup fee that was paid to Avista in the first quarter of 2019 made the year-to-year comparison difficult. Avista should benefit from rate relief and a better economy. The company hasn't yet provided earnings guidance for 2021, but will do so when it reports earnings in February.

**We think the board of directors will raise the dividend in February.** This is the usual timing of a boost. We estimate an increase of \$0.06 a share (3.7%). This is slightly below the hike of a year ago because the payout ratio is high. Avista's goal is a payout ratio of 65%-75% by 2023. **This equity is untimely, but has a dividend yield that is slightly above the utility average.** Total return potential is above average for the next 18 months and the 2023-2025 period.

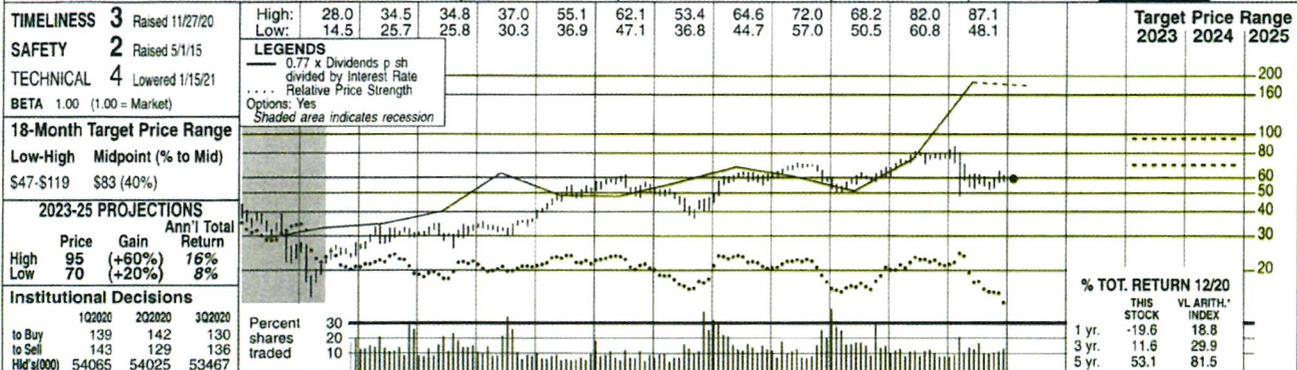
Paul E. Debbas, CFA January 22, 2021

(A) Diluted EPS. Excl. nonrec. gain (loss): '14, 9c; '17, (16c); gains on disc. ops.: '14, \$1.17; '15, 8c. '19 EPS don't sum due to rounding. Next earnings report due early Feb. (B) Divs paid in mid-Mar., June, Sept. & Dec. (C) Incl. deferred chgs. In '19: \$10.77/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate aff'd on com. eq. in WA in '20: 9.4%; in ID in '17: 9.5%; in OR in '21: 9.4%; earned on avg. com. eq., '19: 10.6%. Regulatory Climate: WA, Below Average; ID, Above Average. (F) Winter peak in '17.

**Company's Financial Strength** B++  
**Stock's Price Stability** 70  
**Price Growth Persistence** 60  
**Earnings Predictability** 60

# BLACK HILLS CORP. NYSE-BKH

RECENT PRICE **59.45** P/E RATIO **15.3** (Trailing: 16.4 Median: 19.0) RELATIVE P/E RATIO **0.71** DIV'D YLD **3.9%** VALUE LINE



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	VALUE LINE PUB. LLC	23-25
34.54	41.97	19.69	18.41	26.03	32.58	33.29	28.96	26.55	28.67	31.20	25.48	29.47	31.38	29.24	28.22	26.70	27.15	Revenues per sh	29.00
4.46	4.81	5.04	5.29	2.95	5.41	4.88	4.01	5.59	5.93	6.25	5.67	6.28	7.15	6.61	7.02	7.30	7.60	"Cash Flow" per sh	8.75
1.74	2.11	2.21	2.68	.18	2.32	1.66	1.01	1.97	2.61	2.89	2.83	2.63	3.38	3.47	3.53	3.65	3.80	Earnings per sh A	4.25
1.24	1.28	1.32	1.37	1.40	1.42	1.44	1.46	1.48	1.52	1.56	1.62	1.68	1.81	1.93	2.05	2.17	2.31	Div'd Decl'd per sh B =	2.75
2.80	4.18	9.24	6.92	8.51	8.90	12.04	10.03	7.90	7.97	8.92	8.90	8.89	6.09	7.62	13.31	11.70	9.80	Cap'l Spending per sh	7.25
22.43	22.29	23.68	25.66	27.19	27.84	28.02	27.53	27.88	29.39	30.80	28.63	30.25	31.92	36.36	38.42	40.65	42.65	Book Value per sh C	47.75
32.48	33.16	33.37	37.80	38.64	38.97	39.27	43.92	44.21	44.50	44.67	51.19	53.38	53.54	60.00	61.48	62.75	64.50	Common Shs Outst'g D	65.50
17.1	17.3	15.8	15.0	NMF	9.9	18.1	31.1	17.1	18.2	19.0	16.1	22.3	19.5	16.8	21.2	17.4	17.4	Avg Ann'l P/E Ratio	19.0
.90	.92	.85	.80	NMF	.66	1.15	1.95	1.09	1.02	1.00	.81	1.17	.98	.91	1.13	.90	.90	Relative P/E Ratio	1.05
4.2%	3.5%	3.8%	3.4%	4.2%	6.2%	4.8%	4.6%	4.4%	3.2%	2.8%	3.5%	2.7%	2.7%	3.3%	3.4%	3.4%	3.4%	Avg Ann'l Div'd Yield	3.4%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$3621.1 mill. Due in 5 Yrs \$626.3 mill.  
 LT Debt \$3526.9 mill. LT Interest \$141.1 mill.  
 (LT interest earned: 3.3x)  
 Leases, Uncapitalized Annual rentals \$1.0 mill.

Pension Assets-12/19 \$434.3 mill.  
 Oblig \$485.4 mill.

Pfd Stock None

Common Stock 62,746,692 shs.  
 as of 10/31/20

MARKET CAP: \$3.7 billion (Mid Cap)

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (KWh)	+9	+2.7	+2.1
Avg. Indust. Use (MWh)	18376	19789	21406
Avg. Indust. Revs. per KWh (¢)	7.59	7.41	7.38
Capacity at Year-end (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	1094	1104	1022
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+8	+8	+1.1

Fixed Charge Cov. (%) 296 276 278

**ANNUAL RATES**

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19	to '23-'25
Revenues	1.5%	.5%	.5%	-5%
"Cash Flow"	4.5%	3.0%	4.0%	4.0%
Earnings	7.0%	7.0%	3.5%	3.5%
Dividends	3.5%	5.0%	6.0%	6.0%
Book Value	3.0%	4.0%	5.0%	5.0%

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	547.5	341.9	335.6	455.3	1680.3
2018	575.4	355.7	322.0	501.2	1754.3
2019	597.8	333.9	325.5	477.7	1734.9
2020	537.1	326.9	346.6	464.4	1675
2021	565	355	340	490	1750

**EARNINGS PER SHARE A**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.42	.41	.52	1.03	3.38
2018	1.59	.45	.32	1.11	3.47
2019	1.73	.24	.44	1.13	3.53
2020	1.59	.33	.58	1.15	3.65
2021	1.75	.40	.50	1.15	3.80

**QUARTERLY DIVIDENDS PAID B =**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.445	.445	.445	.475	1.81
2018	.475	.475	.475	.505	1.93
2019	.505	.505	.505	.535	2.05
2020	.535	.535	.535	.565	2.17

**BUSINESS:** Black Hills Corporation is a holding company for Black Hills Energy, which serves 214,000 electric customers in CO, SD, WY and MT, and 1.1 million gas customers in NE, IA, KS, CO, WY, and AR. Has coal mining sub. Acq'd Cheyenne Light 1/05; utility ops. from Aquila 7/08; SourceGas 2/16. Discont. telecom in '05; oil marketing in '06; gas marketing in '11; gas & oil E&P in '17. Electric

**Black Hills has reached a settlement of its gas rate case in Nebraska, and another gas application is pending in Colorado.** In Nebraska, the utility filed for an increase of \$17.3 million, based on a 10% return on equity and a 50% common-equity ratio. A settlement was reached, subject to approval from the state commission, calling for a hike of \$11.1 million, based on a 9.5% ROE and the same equity ratio. New rates should take effect this quarter. In Colorado, Black Hills requested an increase of \$13.5 million, based on a 9.95% ROE and a 50% common-equity ratio, and a five-year regulatory mechanism to recover safety and system-integrity costs through a rider (surcharge) on customers' bills. New tariffs should take effect in the second quarter.

**Other gas rate cases might be upcoming.** The company's service area in Arkansas is growing fast, so there is a lot of capital spending that is not yet reflected in the rate base. In Iowa and Kansas, Black Hills has not received a base rate hike since 2011 and 2015, respectively.

**We have raised our 2020 and 2021 earnings estimates by \$0.10 a share**

rev. breakdown: res'l, 30%; comm'l, 35%; ind'l, 18%; other, 17%. Generating sources: coal, 30%; other, 12%; purch., 58%. Fuel costs: 33% of revs. '19 deprec. rate: 3.2%. Has 2,900 employees. Chairman: David R. Emery. Pres. & CEO: Linn Evans. Inc.: SD. Address: 7001 Mount Rushmore Rd., P.O. Box 1400, Rapid City, SD 57709-1400. Tel.: 605-721-1700. Internet: www.blackhillscorp.com.

**each year.** Favorable weather helped the third-quarter comparison. Black Hills' revised earnings guidance for 2020 is \$3.60-\$3.70 a share, so earnings probably rose last year despite the negative effects of the recession on earnings (an estimated \$0.05-\$0.10 a share). In 2021, this drag should be gone, and the company will benefit from rate relief, including some from riders on customers' bills.

**A wind project was completed in December.** This added 52.5 megawatts of capacity at a cost of \$79 million. Black Hills is recovering the cost of this project through a special tariff.

**The board of directors raised the dividend in the fourth quarter.** This extended the company's streak of annual hikes in the disbursement to 50 years. The increase was \$0.03 a share (5.6%) quarterly. Black Hills is targeting a payout ratio of 50%-60%.

**The stock has a dividend yield that is about average for a utility.** Total return potential is attractive for the 18-month span and respectable for the 3- to 5-year period.

Paul E. Debbas, CFA January 22, 2021

Company's Financial Strength	A
Stock's Price Stability	80
Price Growth Persistence	60
Earnings Predictability	80

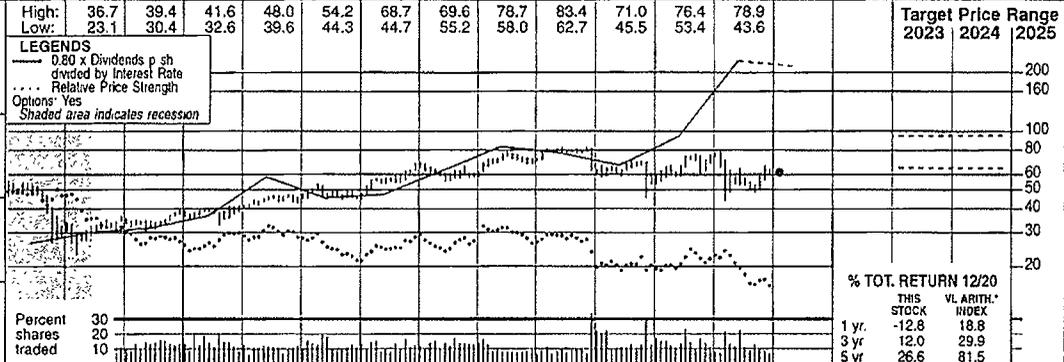
To subscribe call 1-800-VALUELINE

(A) Dil. EPS. Excl. nonrec. gains (losses): '08, (\$1.55); '09, (28c); '10, 10c; '15, (\$3.54); '16, (\$1.26); '17, 14c; '18, \$1.31; '19, (25c); '20, (8c); discontinued ops.: '08, \$4.12; '09, 7c; '11, 23c; '12, (16c); '17, (31c); '18, (12c). '19 EPS don't sum due to rounding. Next egs. due early Feb. (B) Div'ds pd. early Mar., Jun., Sept., & Dec. = Div'd rev. plan avail. (C) Incl. def'd chgs. In '19: \$25.06/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in SD in '15: none; in CO in '17: 9.37%; earn. on avg. com. eq.: '19: 9.4%. Regul. Climate: Avg.

# EDISON INTERNAT'L NYSE-EIX

RECENT PRICE **61.67** P/E RATIO **NMF** (Trailing: NMF Median: 14.0) RELATIVE P/E RATIO **NMF** DIV'D YLD **4.3%** VALUE LINE

**TIMELINESS** 3 Lowered 1/22/21  
**SAFETY** 3 Lowered 1/23/18  
**TECHNICAL** 4 Lowered 1/22/21  
**BETA** .95 (1.00 = Market)  
**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$45-\$116 \$81 (30%)  
**2023-25 PROJECTIONS**  
 High Price Gain Ann'l Total  
 Low 65 95 (+55%) 14% 6%



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	VALUE LINE PUB. LLC	23-25
31.30	36.38	38.74	40.25	43.31	37.98	38.09	39.16	36.41	38.61	41.17	35.37	36.43	37.81	38.85	34.11	35.60	35.45	Revenues per sh	41.25
3.79	6.99	7.25	7.60	8.08	7.96	8.41	9.03	9.63	8.80	9.95	10.35	10.43	11.03	4.69	9.15	7.95	10.30	"Cash Flow" per sh	12.25
.69	3.34	3.28	3.32	3.68	3.24	3.35	3.23	4.55	3.78	4.33	4.15	3.94	4.51	d1.26	3.98	1.70	4.05	Earnings per sh <sup>A</sup>	4.75
.80	1.02	1.10	1.18	1.23	1.25	1.27	1.29	1.31	1.37	1.48	1.73	1.98	2.23	2.43	2.48	2.58	2.68	Div'd Decl'd per sh <sup>B</sup>	3.00
5.32	5.73	7.78	8.67	8.67	10.07	13.94	14.76	12.73	11.05	11.99	12.97	11.46	11.75	13.84	13.47	13.20	13.65	Cap'l Spending per sh	13.75
18.57	20.30	23.66	25.92	29.21	30.20	32.44	30.86	28.95	30.50	33.64	34.89	36.82	35.82	32.10	36.75	36.65	39.05	Book Value per sh <sup>C</sup>	44.00
325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	361.99	379.00	395.00	Common Shs Outst'g <sup>D</sup>	395.00
37.6	11.7	13.0	16.0	12.4	9.7	10.3	11.8	9.7	12.7	13.0	14.8	17.9	17.2	--	16.7	NMF	--	Avg Ann'l P/E Ratio	16.5
1.99	.62	.70	.85	.75	.65	.66	.74	.62	.71	.68	.75	.94	.87	--	.89	NMF	--	Relative P/E Ratio	.90
3.1%	2.6%	2.6%	2.2%	2.7%	4.0%	3.7%	3.4%	3.0%	2.8%	2.6%	2.8%	2.8%	2.9%	3.8%	3.7%	4.3%	--	Avg Ann'l Div'd Yield	3.8%

**CAPITAL STRUCTURE** as of 9/30/20  
 Total Debt \$21738 mill. Due in 5 Yrs \$6123 mill.  
 LT Debt \$18958 mill. LT Interest \$891 mill.  
 (LT interest earned: 2.0x)  
 Leases, Uncapitalized Annual rentals \$107 mill.  
 Pens. Assets-12/19 \$3755 mill. Oblig \$4139 mill.  
 Pfd Stock \$2193 mill. Pfd Div'd \$121 mill.  
 4,800,198 sh. 4.06%-4.78%, \$25 par, call. \$25.50-  
 \$28.75/sh.; 3,250,000 sh. variable, noncum., call.  
 \$1.00; 1,250,000 sh. 6.5%, cum., \$100 liq. value;  
 350,000 sh. 6.25%, \$1000 liq. value; 460,012 sh.  
 5.1%-5.75%, \$2500 liq. value.  
 Common Stock 378,513,912 sh. as of 10/20/20  
**MARKET CAP: \$23 billion (Large Cap)**

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Revenues (\$mill)	16300
12409	12760	11862	12581	13413	11524	11869	12320	12657	12347	13500	14000	14000	14000	12657	12347	13500	14000	Revenues (\$mill)	16300
1153.0	1112.0	1594.0	1344.0	1539.0	1480.0	1422.0	1603.0	d290.0	1477.0	755	1730	1730	1730	d290.0	1477.0	755	1730	Net Profit (\$mill)	2000
32.1%	25.7%	14.3%	25.2%	22.4%	6.6%	11.1%	5.0%	--	NMF	NMF	Nil	10.0%	10.0%	--	11.1%	24.0%	10.0%	Income Tax Rate	Nil
16.9%	14.8%	8.5%	7.8%	5.8%	8.0%	6.8%	7.2%	--	--	--	--	--	--	--	--	--	--	AFUDC % to Net Profit	9.0%
51.8%	55.3%	45.2%	45.7%	44.1%	45.0%	41.8%	45.6%	53.6%	53.5%	55.5%	57.0%	57.0%	57.0%	53.6%	53.5%	55.5%	57.0%	Long-Term Debt Ratio	59.0%
44.3%	40.6%	46.2%	46.2%	47.2%	46.7%	49.2%	45.8%	38.3%	39.9%	39.5%	38.0%	38.0%	38.0%	38.3%	39.9%	39.5%	38.0%	Common Equity Ratio	37.5%
23661	24773	20422	21516	23216	24352	24362	25506	27284	33360	35125	38600	38600	38600	27284	33360	35125	38600	Total Capital (\$mill)	46580
24778	32116	30273	30455	32981	35085	37000	39050	41348	44285	46900	49800	49800	49800	41348	44285	46900	49800	Net Plant (\$mill)	57700
6.3%	6.0%	8.9%	7.3%	7.7%	7.1%	6.9%	7.3%	.1%	5.6%	3.5%	5.5%	5.5%	5.5%	1.0%	5.6%	3.5%	5.5%	Return on Total Cap'l	5.5%
10.0%	10.0%	14.2%	11.5%	11.9%	11.1%	10.0%	11.6%	NMF	9.5%	5.0%	9.5%	9.5%	9.5%	NMF	9.5%	5.0%	9.5%	Return on Shr. Equity	10.5%
10.4%	10.5%	15.9%	12.5%	13.0%	12.0%	10.8%	12.7%	NMF	10.2%	4.5%	10.0%	10.0%	10.0%	NMF	10.2%	4.5%	10.0%	Return on Com Equity <sup>E</sup>	11.0%
6.5%	6.3%	11.4%	8.1%	8.3%	7.2%	5.6%	6.6%	NMF	4.1%	NMF	3.5%	3.5%	3.5%	NMF	4.1%	NMF	3.5%	Retained to Com Eq	4.0%
40%	43%	32%	40%	37%	44%	53%	52%	NMF	63%	NMF	68%	68%	68%	NMF	63%	NMF	68%	All Div'ds to Net Prof	64%

**ELECTRIC OPERATING STATISTICS**  
 2017 2018 2019  
 % Change Retail Sales (KWH) +2 -4 -2.7  
 Avg. Indust. Use (KWH) 643 667 657  
 Avg. Indust. Demand (MW) NA NA NA  
 Capacity at Peak (MW) NA NA NA  
 Peak Load, Summer (MW) 23508 23766 22009  
 Annual Load Factor (%) 48.8 48.0 49.6  
 % Change Customers (yr-end) +7 +6 +5

**BUSINESS:** Edison International (formerly SCECorp) is a holding company for Southern California Edison Company (SCE), which supplies electricity to 5.1 mill. customers in a 50,000-sq.-mi. area in central, coastal, & southern CA (excl. Los Angeles & San Diego). Edison Energy is an energy svcs. co. Disc. Edison Mission Energy (independent power producer) in '12. Elec. rev breakdown: residential, 39%; commercial, 43%; industrial, 4%; other, 14%. Generating sources: nuclear, 8%; gas, 7%; hydro, 5%; purchased, 80%. Fuel costs: 39% of revs. '19 reported depr. rate: 3.6%. Has 12,500 empis. Chairman: William P. Sullivan. Pres. & CEO: Pedro J. Pizaro, Inc. CA. Address: 2244 Walnut Grove Ave., P.O. Box 976, Rosemead, CA 91770 Tel : 626-302-2222. Web: www.edison.com.

Fixed Charge Cov (%) 241 NMF 172

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-1.0%	-1.0%	2.0%
"Cash Flow"	.5%	-2.5%	6.5%
Earnings	-3.5%	-10.5%	12.0%
Dividends	7.0%	11.5%	4.0%
Book Value	2.0%	2.5%	4.0%

**Our 2020 earnings estimate for Edison International requires an explanation.** The bottom line fell into the red in the third quarter due to a \$2.33-a-share charge for expected liabilities stemming from wildfires and mudslides in Southern California Edison's service area in 2017 and 2018. We also include the effects of amortization of SCE's contributions to the state's wildfire insurance fund, which reduces quarterly earnings by \$0.16 a share. Edison International is excluding these items from its 2020 "core" earnings guidance of \$4.47-\$4.62 a share. Note that the weak economy and lockdowns in California don't have a large effect on the company's income because SCE operates under a regulatory mechanism that decouples revenues and volume.

**The utility is awaiting an order in its general rate case.** SCE is seeking rate increases of \$1.3 billion in 2021 (and asking that the order be retroactive to the start of the year), \$452 million in 2022, and \$524 million in 2023. Rate relief and the absence of the wildfire-liability reserve point to material earnings improvement this year. The California commission will consider the recovery of incremental wildfire mitigation costs in two separate tracks. SCE and other parties reached a settlement that, if approved by the commission, would raise rates \$391 million to recover incremental wildfire mitigation costs from 2018 and 2019. A decision is expected in the current quarter. In March, the utility will apply for recovery of its incremental costs from 2020. Separately, the regulators have allowed the company to recover incremental wildfire insurance premium costs that were incurred through mid-2020.

**An equity issuance is upcoming.** Edison International expects to issue \$1 billion of common stock in order to fund expected wildfire liability payments.

**The board of directors raised the dividend, effective with the January payment.** The increase was \$0.10 a share (3.9%) annually.

**This stock's dividend yield is above the utility average.** Total return potential is attractive for the next 18 months and a bit above average for the 2023-2025 period.

Paul E. Debbas, CFA January 22, 2021

Cal-endar	QUARTERLY REVENUES (\$mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	2463	2965	3672	3220	12320
2018	2564	2815	4269	3009	12657
2019	2824	2812	3741	2970	12347
2020	2790	2987	4644	3079	13500
2021	2900	3100	4800	3200	14000

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	1.11	.85	1.43	1.12	4.51
2018	.82	.84	1.57	d4.49	d1.26
2019	.64	1.57	1.35	.45	3.98
2020	.50	.85	d.76	1.11	1.70
2021	.65	1.10	1.40	.90	4.05

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.5425	.5425	.5425	.5425	2.17
2018	.605	.605	.605	.605	2.42
2019	.6125	.6125	.6125	.6125	2.45
2020	.6375	.6375	.6375	.6375	2.55
2021	.6625				

(A) Dil. EPS. Excl. nonrec. gains (losses): '04, \$2.12; '09, (.64e); '10, .54e; '11, (\$3.33); '13, (\$1.12); '15, (\$1.18); '17, (\$1.37); '18, (15e); '19, (21c); gains (loss) from disc. ops: '12, (\$5.11); '13, 11c; '14, 57c; '15, 11c; '18, 10c. '19 EPS don't sum due to chng. in shs. Next earnings report due late Feb. (B) Div'ds paid late Jan., Apr., July, & Oct. = Div'd reinv. plan avail. (C) Incl. def'd charges. In '19: \$16.82/sh. (D) In mill. (E) Rate base: net org. cost. Rate a/d on com. eq. in '20: 10.3%; earned on avg. com. eq., '19: 11.5%. Regulatory Climate: Avg.

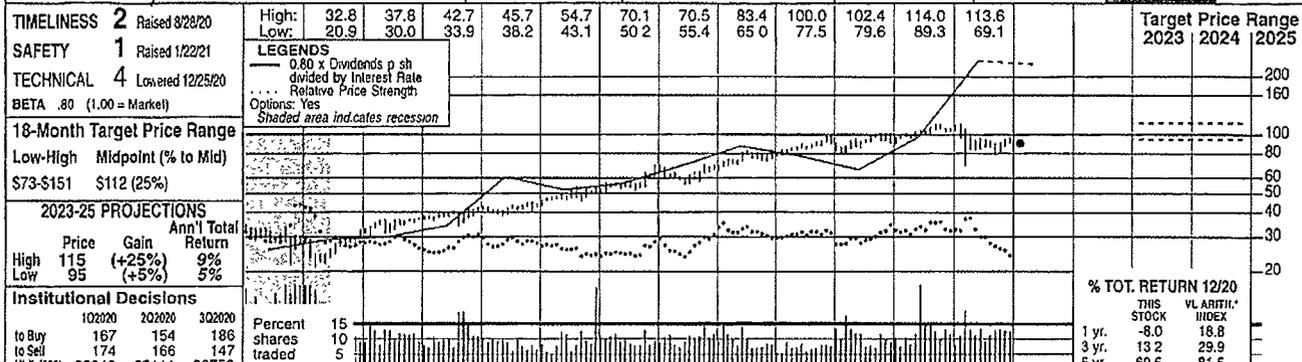
Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	50
Earnings Predictability	5

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# IDACORP, INC. NYSE-IDA

RECENT PRICE **90.39** P/E RATIO **19.2** (Trailing: 18.5 Median: 16.0) RELATIVE P/E RATIO **0.88** DIV'D YLD **3.2%** VALUE LINE



Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Price	20.00	20.15	21.23	19.51	20.47	21.92	20.97	20.55	21.55	24.81	25.51	25.23	25.04	26.76	27.19	26.70	26.25	27.25	28.25	29.25	30.25	31.25
Gain	4.12	3.87	4.58	4.11	4.27	5.07	5.35	5.84	5.93	6.29	6.58	6.70	6.86	7.50	7.85	8.07	8.20	8.40	8.60	8.80	9.00	9.20
Ann'l Total Return	1.90	1.75	2.35	1.86	2.18	2.64	2.95	3.36	3.37	3.64	3.85	3.94	4.21	4.49	4.61	4.65	4.80	4.80	4.80	4.80	4.80	4.80
Div'd Decl'd	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.37	1.57	1.76	1.92	2.08	2.24	2.40	2.56	2.72	2.89	2.89	2.89	2.89	2.89
Cap'l Spending	4.73	4.53	5.16	6.39	5.19	5.26	6.85	6.76	4.78	4.68	5.45	5.84	5.89	5.66	5.51	5.53	6.60	6.95	6.95	6.95	6.95	6.95
Book Value	23.88	24.04	25.77	26.79	27.76	29.17	31.01	33.19	35.07	36.84	38.85	40.88	42.74	44.65	47.01	48.88	50.70	52.55	52.55	52.55	52.55	52.55
Avg Ann'l P/E Ratio	15.5	16.7	15.1	18.2	13.9	10.2	11.8	11.5	12.4	13.4	14.7	16.2	19.1	20.6	20.5	22.3	20.0	18.0	18.0	18.0	18.0	18.0
Relative P/E Ratio	.82	.89	.82	.97	.84	.68	.75	.72	.79	.75	.77	.82	1.00	1.04	1.11	1.19	1.00	1.00	1.00	1.00	1.00	1.00
Avg Ann'l Div'd Yield	4.1%	4.1%	3.4%	3.5%	4.0%	4.5%	3.4%	3.1%	3.3%	3.2%	3.1%	2.8%	2.6%	2.6%	2.6%	2.5%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%

Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues (\$mill)	1036.0	1026.8	1080.7	1246.2	1282.5	1270.3	1262.0	1349.5	1370.8	1346.4	1325	1375	1375	1375	1375	1375	1375	1375	1375	1375	1375	1375
Net Profit (\$mill)	142.5	166.9	168.9	182.4	193.5	194.7	198.3	212.4	226.8	232.9	235	240	240	240	240	240	240	240	240	240	240	240
Income Tax Rate	19.1%	23.3%	20.3%	13.4%	28.3%	8.0%	19.0%	15.5%	18.6%	15.2%	16.2%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
Long-Term Debt Ratio	49.3%	45.6%	45.5%	46.6%	45.3%	45.6%	44.8%	43.7%	43.6%	41.3%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%
Common Equity Ratio	50.7%	54.4%	54.5%	53.4%	54.7%	54.4%	55.2%	56.3%	56.4%	58.7%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%
Return on Total Cap'l	6.0%	6.8%	6.5%	6.4%	6.6%	6.2%	6.1%	6.3%	6.4%	6.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Return on Shr. Equity	9.3%	10.1%	9.6%	9.9%	9.9%	9.5%	9.2%	9.4%	9.6%	9.4%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Return on Com Equity	9.3%	10.1%	9.6%	9.9%	9.9%	9.5%	9.2%	9.4%	9.6%	9.4%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Retained to Com Eq	5.5%	6.5%	5.7%	5.6%	5.4%	4.8%	4.3%	4.4%	4.4%	4.2%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
All Div'ds to Net Prof	41%	36%	41%	43%	46%	50%	53%	53%	54%	56%	58%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$2000.4 mill. Due in 5 Yrs \$124.8 mill.  
 LT Debt \$2000.4 mill. LT Interest \$83.4 mill.  
 (LT interest earned: 3.8x)

**Pension Assets-12/19 \$763.1 mill.**  
 Oblig \$1134.8 mill.

**Pfd Stock None**

**Common Stock 50,461,885 shs.**  
 as of 10/23/20

**MARKET CAP: \$4.6 billion (Mid Cap)**

**ELECTRIC OPERATING STATISTICS**

Category	2017	2018	2019
% Change Ret'd Sales (KWH)	+2.6	+1	-3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Pers. per KWH (¢)	5.83	5.64	5.32
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	3422	3392	3242
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+2.0	+2.3	+2.5

**BUSINESS:** IDACORP, Inc. is a holding company for Idaho Power Company, a regulated electric utility that serves 583,000 customers throughout a 24,000-square-mile area in southern Idaho and eastern Oregon (population: 1.2 million). Most of the company's revenues are derived from the Idaho portion of its service area. Revenue breakdown: residential, 39%; commercial, 22%; industrial, 13%; irrigation, 10%; other, 16%. Generating sources: hydro, 45%; coal, 16%; gas, 11%; purchased, 28%. Fuel costs: 33% of revenues. '19 reported depreciation rate: 2.9%. Has 2,000 employees. Chairman: Richard J. Dahl. President & CEO: Lisa Grow, Incorporated: Idaho. Address: 1221 W. Idaho St., Boise, Idaho 83702. Telephone: 208-388-2200. Internet: www.idacorpinc.com.

Category	2017	2018	2019	2020	2021
Fixed Charge Cov. (%)	329	309	307		
ANNUAL RATES					
of change (per sh)	10 Yrs	5 Yrs	17-'19		
Revenues	2.5%	2.5%	2.0%		
"Cash Flow"	5.5%	4.5%	4.0%		
Earnings	7.0%	4.0%	4.5%		
Dividends	7.0%	9.0%	6.5%		
Book Value	5.5%	5.0%	4.0%		
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	302.6	333.0	408.3	305.6	1349.5
2018	310.1	340.0	408.8	311.9	1370.8
2019	350.3	316.9	386.3	292.9	1346.4
2020	291.0	318.8	425.3	289.9	1325
2021	305	330	440	300	1375
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.66	.99	1.80	.76	4.21
2018	.72	1.23	2.02	.52	4.49
2019	.84	1.05	1.78	.93	4.61
2020	.74	1.19	2.02	.70	4.65
2021	.85	1.15	2.00	.80	4.80
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.55	.55	.55	.59	2.24
2018	.59	.59	.59	.63	2.40
2019	.63	.63	.63	.67	2.56
2020	.67	.67	.67	.71	2.72
2021					

**We estimate that IDACORP's earnings rose slightly in 2020.** We figure this happened despite a difficult comparison in the fourth quarter. The company's utility subsidiary, Idaho Power, benefited from favorable weather conditions in its service area. Also, while the national recession hurt the economy in Idaho, this was less severe in the state because of the concentration of food-processing customers, which continued to operate even as some other businesses were ordered to close. Other businesses are expanding; for instance, Amazon opened a distribution center. Some companies have relocated from California to Idaho. Customer growth is rapid, and amounted to 2.6% for the 12-month period that ended on September 30th. Cost control has been effective, and operating and maintenance expenses likely declined. Upon reporting third-quarter results in late October, IDACORP narrowed its share-earnings guidance from \$4.45-\$4.65 to \$4.55-\$4.65. Our estimate remains at the upper end of this range. **We look for a modest profit increase this year.** The service area's economy should continue to recover. On the other hand, a return to normal weather patterns would be a negative factor for the year-to-year comparison. Our estimate of \$4.80 a share would produce a 3% increase over our expectation for 2021 when it reports earnings guidance for 2021 when it reports fourth-quarter results next month. **Finances are solid.** The fixed-charge coverage and common-equity ratio are comfortably above the averages for the electric utility industry. The earned return on equity is consistently healthy. IDACORP has not issued any common equity for several years, and expects no need for new equity in the next few years. The company's Financial Strength rating is A. We have raised the equity's Safety rank one notch, to 1 (Highest). **The dividend yield of this timely stock is a cut below the utility mean.** The issue offers superior total return potential for the next 18 months. For the 3- to 5-year period, however, total return prospects are unexceptional, despite the likelihood of strong dividend growth. The recent quotation is near the lower end of our 2023-2025 Target Price Range. *Paul E. Debbas, CFA January 22, 2021*

(A) Diluted EPS. Excl. nonrecurring gain (loss): '05, (24c); '06, 17c; '17 & '19 earnings don't sum due to rounding. Next earnings report due mid-Feb. (B) Dividends historically paid in late Feb., May, Aug, and Nov. (C) Dividend reinvestment plan available. (D) Shareholder investment plan available. (E) Incl. intangibles. In '19: \$26.31/sh. (D) In millions. (E) Rate base: Net original cost. Rate allowed on common equity in '12: 10% (imputed); earned on avg. com. eq., '19: 9.6%. Regulatory Climate: Above Average.

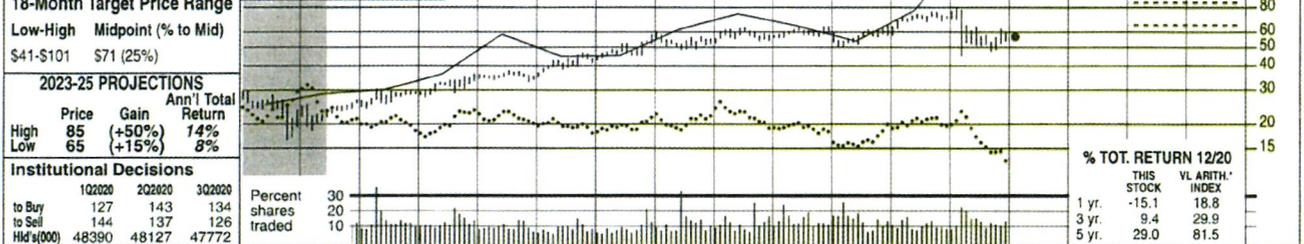
Company's Financial Strength A  
 Stock's Price Stability 100  
 Price Growth Persistence 90  
 Earnings Predictability 100

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# NORTHWESTERN NDQ-NWE

<b>TIMELINESS</b> 3 Raised 11/6/20	High: 26.8	30.6	36.6	38.0	47.2	58.7	59.7	63.8	64.5	65.7	76.7	80.5	Target Price Range 2023 2024 2025
<b>SAFETY</b> 2 Raised 7/27/18	Low: 18.5	23.8	27.4	33.0	35.1	42.6	48.4	52.2	55.7	50.0	57.3	45.1	
<b>TECHNICAL</b> 4 Lowered 1/15/21	<b>LEGENDS</b> 0.71 x Dividends p sh divided by Interest Rate .... Relative Price Strength Options: Yes Shaded area indicates recession												
<b>BETA</b> .95 (1.00 = Market)	<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$41-\$101 \$71 (25%)												



2023-25 PROJECTIONS																			
High	Price	Gain	Ann'l Total										% TOT. RETURN 12/20						
85	(+50%)	14%	8%										THIS STOCK						
65	(+15%)												VL ARITH. INDEX						
1 yr. -15.1 18.8 3 yr. 9.4 29.9 5 yr. 29.0 81.5																			
Institutional Decisions																			
	1Q2020	2Q2020	3Q2020																
to Buy	127	143	134																
to Sell	144	137	126																
Hlds(000)	48390	48127	47772																
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	VALUE LINE PUB. LLC	23-25

29.18	32.57	31.49	30.79	35.09	31.72	30.66	30.80	28.76	29.80	25.68	25.21	26.01	26.45	23.81	24.93	24.00	24.55	Revenues per sh	27.25
3.20	4.00	3.62	3.70	4.40	4.62	4.76	5.42	5.18	5.45	5.39	5.92	6.74	6.76	6.96	7.07	6.80	7.25	"Cash Flow" per sh	8.50
d14.32	1.71	1.31	1.44	1.77	2.02	2.14	2.53	2.26	2.46	2.99	2.90	3.39	3.34	3.40	3.53	3.15	3.50	Earnings per sh <sup>A</sup>	4.00
--	1.00	1.24	1.28	1.32	1.34	1.36	1.44	1.48	1.52	1.60	1.92	2.00	2.10	2.20	2.30	2.40	2.48	Div'd Decl'd per sh <sup>B</sup> = ↑	2.75
2.25	2.26	2.81	3.00	3.47	5.26	6.30	5.20	5.89	5.95	5.76	5.89	5.96	5.60	5.64	6.26	7.90	8.75	Cap'l Spending per sh	7.50
19.92	20.60	20.65	21.12	21.25	21.86	22.84	23.68	25.09	26.60	31.50	33.22	34.68	36.44	38.60	40.42	41.10	42.40	Book Value per sh <sup>C</sup>	45.75
35.60	35.79	35.97	38.97	35.93	36.00	36.23	36.28	37.22	38.75	46.91	48.17	48.33	49.37	50.32	50.45	50.60	51.50	Common Shs Outst'g <sup>D</sup>	53.00
--	17.1	26.0	21.7	13.9	11.5	12.9	12.6	15.7	16.9	16.2	18.4	17.2	17.8	16.8	19.9	18.9	18.9	Avg Ann'l P/E Ratio	18.5
--	.91	1.40	1.15	.84	.77	.82	.79	1.00	.95	.85	.93	.90	.90	.91	1.06	.95	.95	Relative P/E Ratio	1.05
--	3.4%	3.6%	4.1%	5.4%	5.7%	4.9%	4.5%	4.2%	3.7%	3.3%	3.6%	3.4%	3.5%	3.9%	3.3%	4.0%	4.0%	Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 9/30/20												
Total Debt \$2307.0 mill. Due in 5 Yrs \$548.1 mill.												
LT Debt \$2204.4 mill. LT Interest \$80.5 mill.												
Incl. \$15.5 mill. capitalized leases. (LT interest earned: 2.6x)												
Pension Assets-12/19 \$609.0 mill.												
Pfd Stock None												
Common Stock 50,581,973 shs. as of 10/16/20												
MARKET CAP: \$2.9 billion (Mid Cap)												
ELECTRIC OPERATING STATISTICS												
			2017	2018	2019							
% Change Retail Sales (KWh)			+3.8	+2.9	+4.6							
Avg. Indust. Use (MWh)			30987	34573	37808							
Avg. Indust. Revs. per KWh (¢)			NA	NA	NA							
Capacity at Peak (Mw)			NA	NA	NA							
Peak Load, Winter (Mw)			2133	2173	2237							
Annual Load Factor (%)			NA	NA	NA							
% Change Customers (yr-end)			+1.3	+1.2	+1.2							

**BUSINESS:** NorthWestern Corporation (doing business as NorthWestern Energy) supplies electricity & gas in the Upper Midwest and Northwest, serving 443,000 electric customers in Montana and South Dakota and 292,000 gas customers in Montana (85% of gross margin), South Dakota (14%), and Nebraska (1%). Electric revenue breakdown: residential, 39%; commercial, 47%; industrial, 4%; other, 10%. Generating sources: hydro, 34%; coal, 28%; wind, 5%; other, 3%; purchased, 30%. Fuel costs: 25% of revenues. '19 reported deprec. rate: 2.8%. Has 1,500 employees. Chairman: Stephen P. Adik. President & CEO: Robert C. Rowe. Inc.: Delaware. Address: 3010 West 69th Street, Sioux Falls, South Dakota 57108. Tel.: 605-978-2900. Internet: www.northwesternenergy.com.

ANNUAL RATES					
Cal-endar	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19	Full Year	
2017	2018	2019	2020	2021	
of change (per sh)	10 Yrs.	5 Yrs.	to '23-'25		
Revenues	-2.5%	-2.0%	1.5%		
"Cash Flow"	5.0%	5.5%	3.5%		
Earnings	7.0%	6.0%	2.5%		
Dividends	5.5%	7.5%	4.0%		
Book Value	6.0%	7.0%	3.0%		
QUARTERLY REVENUES (\$ mill.)					
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	367.3	283.9	309.9	344.6	1305.7
2018	341.5	261.8	279.9	314.9	1198.1
2019	384.2	270.7	274.8	328.2	1257.9
2020	335.3	269.4	280.6	329.7	1215
2021	355	285	290	335	1265
EARNINGS PER SHARE <sup>A</sup>					
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.17	.44	.75	.98	3.34
2018	1.18	.61	.56	1.06	3.40
2019	1.44	.49	.42	1.18	3.53
2020	1.00	.43	.58	1.14	3.15
2021	1.15	.50	.65	1.20	3.50
QUARTERLY DIVIDENDS PAID <sup>B</sup> = ↑					
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.525	.525	.525	.525	2.10
2018	.55	.55	.55	.55	2.20
2019	.575	.575	.575	.575	2.30
2020	.60	.60	.60	.60	2.40

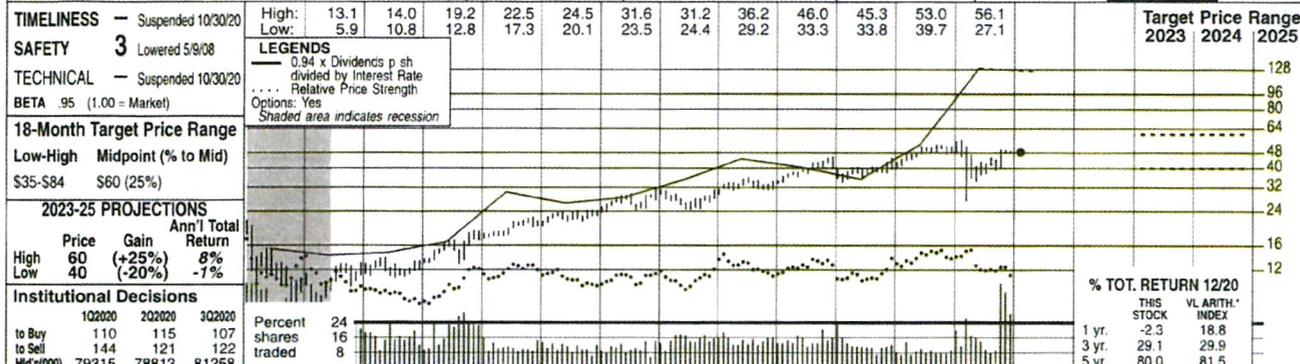
**NorthWestern's earnings almost certainly declined in 2020.** Mild weather and unusual costs hurt the first-quarter comparison. Over the remainder of the year, the utility was affected by the slump in commercial and industrial kilowatt-hour sales resulting from the weak economy (partly offset by higher residential volume) and some coronavirus-related costs. NorthWestern stated that it planned to book a pretax charge of \$9.5 million against fourth-quarter results because the Montana commission disallowed some purchased-power costs. We are including this in our earnings presentation even though the company is excluding it from its targeted range of \$3.30-\$3.45 a share. **We expect earnings in 2021 to approach the 2019 tally.** We figure NorthWestern will have a more-typical showing in the March quarter, lower coronavirus-related effects for the full-year, and no charge for the disallowance in the December period. Our profit estimate of \$3.50 a share is at the midpoint of the company's preliminary guidance of \$3.40-\$3.60. **NorthWestern is adding generating capacity.** The company is building a 60-

megawatt gas-fired plant in South Dakota that is scheduled to be on line in late 2021 at a cost of \$80 million. The utility plans to add another 30-40 mw of capacity in 2023 at an expected cost of \$60 million. NorthWestern canceled plans to purchase a stake in a coal-fired plant because obtaining regulatory approval appeared unlikely. The utility has a request for proposals pending in Montana, and expects to announce the winning bidder(s) in the current quarter. **We think the board of directors will raise the dividend in the current quarter.** We estimate the annual disbursement will be hiked by \$0.08 a share (3.3%). This would be a slightly smaller increase than in recent years. Based on our estimates for earnings and dividends this year, the payout ratio would be at the upper end of NorthWestern's goal of 60%-70%. **The dividend yield of NorthWestern stock is somewhat above the utility average.** Total return potential is attractive for the year ahead and respectable for the 3- to 5-year period. *Paul E. Debbas, CFA January 22, 2021*

(A) Diluted EPS. Excl. gain (loss) on disc. ops.: '05, (6¢); '06, 1¢; nonrec. gains: '12, 39¢ net; '15, 27¢; '18, 52¢; '19, 45¢. '18 EPS don't sum due to rounding. Next earnings report due mid-Feb. (B) Div'ds historically paid in late Mar., June, Sept. & Dec. = Div'd reinvestment plan avail. (C) Incl. def'd charges. In '19: \$16.68/sh. allowed on com. eq. in MT in '19 (elec.): 9.65%; in '17 (gas): 9.55%; in SD in '15: none spec.; in NE in '07: 10.4%; earned on avg. com. eq., '19: 9.0%. Reg. Climate: Below Avg. (D) In mill. (E) Rate base: Net orig. cost. Rate Company's Financial Strength B++ Stock's Price Stability 90 Price Growth Persistence 70 Earnings Predictability 85 To subscribe call 1-800-VALUELINE

# PNM RESOURCES NYSE-PNM

RECENT PRICE **48.52** P/E RATIO **21.1** (Trailing: 19.8 Median: 18.0) RELATIVE P/E RATIO **0.97** DIV'D YLD **2.7%** VALUE LINE



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
26.54	30.19	32.25	24.92	22.65	19.01	19.31	21.35	16.85	17.42	18.03	18.07	17.11	18.14	18.04	18.30	17.50	18.05	Revenues per sh	19.00
3.14	3.56	3.57	2.54	1.76	2.32	2.67	3.18	3.39	3.52	4.09	4.28	4.51	5.30	5.13	6.07	5.65	6.10	"Cash Flow" per sh	7.50
1.43	1.56	1.72	.76	.11	.58	.87	1.08	1.31	1.41	1.45	1.48	1.46	1.92	1.66	2.28	2.20	2.25	Earnings per sh <sup>A</sup>	3.00
.63	.79	.86	.91	.61	.50	.50	.50	.58	.68	.76	.82	.90	.99	1.09	1.18	1.25	1.33	Div'd Decl'd per sh <sup>B</sup> +	1.60
2.25	3.07	4.04	5.94	3.99	3.32	3.25	4.10	3.88	4.37	5.78	7.01	7.53	6.28	6.29	7.74	9.40	11.85	Cap'l Spending per sh	6.00
18.19	18.70	22.09	22.03	18.89	18.90	17.60	19.62	20.05	20.87	22.39	20.78	21.04	21.28	21.20	21.08	23.80	24.70	Book Value per sh <sup>C</sup>	29.75
60.46	68.79	76.65	76.81	86.53	86.67	86.67	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	85.83	85.83	Common Shs Outst'g <sup>D</sup>	92.00
15.0	17.4	15.6	35.6	NMF	18.1	14.0	14.5	15.0	16.1	18.7	18.7	22.4	20.4	23.4	21.1	20.3		Avg Ann'l P/E Ratio	16.5
.79	.93	.84	1.89	NMF	1.21	.89	.91	.95	.90	.98	.94	1.18	1.03	1.26	1.12	1.05		Relative P/E Ratio	.90
2.9%	2.9%	3.2%	3.4%	4.9%	4.8%	4.1%	3.2%	3.0%	3.0%	2.8%	3.0%	2.8%	2.5%	2.8%	2.5%	2.8%		Avg Ann'l Div'd Yield	3.2%

CAPITAL STRUCTURE as of 9/30/20		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Debt \$3473.6 mill. Due in 5 Yrs \$1965.0 mill.		1673.5	1700.6	1342.4	1387.9	1435.9	1439.1	1363.0	1445.0	1436.6	1457.6	1500	1550	1750	1805	1900	2100	2280	280
LT Debt \$2509.8 mill. LT Interest \$103.8 mill. (LT interest earned: 3.0x)		80.5	97.1	106.1	114.0	116.8	118.8	117.4	154.4	133.4	182.8	190	210	280	380	420	470	560	280
Leases, Uncapitalized Annual rentals \$30.7 mill. Pension Assets-12/19 \$590.8 mill. Oblig \$671.3 mill.		32.6%	38.8%	31.4%	31.6%	34.8%	36.9%	32.4%	33.0%	13.8%	9.4%	10.0%	10.0%	10.0%	9.0%	9.0%	9.0%	9.0%	10.0%
Pfd Stock \$11.5 mill. Pfd Div'd \$ 5 mill. 115,293 shs. 4.58%, \$100 par without mandatory redemption. Sinking fund began 2/1/84.		7.1%	8.7%	7.1%	1.3%	10.7%	17.0%	11.0%	11.9%	14.5%	9.2%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Common Stock 79,653,624 shs. as of 10/27/20		50.4%	51.5%	50.9%	50.0%	47.8%	54.1%	55.7%	56.1%	61.1%	59.8%	51.5%	55.0%	51.5%	55.0%	51.5%	55.0%	51.5%	55.0%
MARKET CAP: \$3.9 billion (Mid Cap)		49.2%	48.1%	48.7%	49.7%	51.9%	45.5%	44.0%	43.6%	38.6%	39.9%	48.0%	44.5%	48.0%	44.5%	48.0%	44.5%	48.0%	44.5%
ELECTRIC OPERATING STATISTICS		3100.3	3245.6	3277.9	3344.0	3437.1	3633.3	3806.8	3887.5	4370.0	4207.7	4250	4760	4760	4760	4760	4760	4760	5650
% Change Retail Sales (KWH)		3444.4	3627.1	3746.5	3933.9	4270.0	4535.4	4904.7	4980.2	5234.6	5466.0	5965	6650	6650	6650	6650	6650	6650	7725
Avg. Indust. Use (MWH)		4.2%	4.5%	5.1%	5.2%	5.1%	4.8%	4.7%	5.3%	4.3%	5.8%	6.0%	5.5%	6.0%	5.5%	6.0%	5.5%	6.0%	6.0%
Avg. Indust. Revs. per KWH (¢)		5.2%	6.2%	6.6%	6.8%	6.5%	7.1%	7.0%	9.0%	7.8%	10.8%	8.5%	9.0%	8.5%	9.0%	8.5%	9.0%	8.5%	9.0%
Capacity at Peak (MW)		2.2%	3.3%	3.8%	3.8%	3.2%	3.3%	2.8%	4.5%	2.9%	5.4%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4.5%
Peak Load, Summer (MW)		57%	47%	43%	45%	51%	54%	61%	51%	64%	51%	59%	59%	59%	59%	59%	59%	59%	55%
Annual Load Factor (%)		<p><b>BUSINESS:</b> PNM Resources, Inc. is a holding company with two regulated electric utilities. Public Service Company of New Mexico (PNM) serves 532,000 customers in north central New Mexico, including Albuquerque and Santa Fe. Texas-New Mexico Power Company (TNMP) transmits and distributes power to 257,000 customers in Texas. Electric revenue breakdown: residential, 40%; commercial, 35%; industrial, 6%; other, 19%. Generating sources not available. Fuel costs: 28% of revenues. '19 reported depreciation rates: 2.5%-7.9%. Has 1,700 employees. Chairman, President &amp; CEO: Patricia K. Collawn. Incorporated: New Mexico. Address: 414 Silver Ave. SW, Albuquerque, New Mexico 87102-3289. Telephone: 505-241-2700. Internet: www.pnmresources.com.</p>																	
% Change Customers (yr-end)		<p><b>PNM Resources has agreed to be acquired by AVANGRID.</b> Stockholders would receive \$50.30 in cash for each of their shares. The transaction requires the approval of PNM Resources' shareholders, the regulatory commissions in New Mexico and Texas, and the Federal Energy Regulatory Commission. The companies expect the combination to be completed in the fourth quarter of 2021.</p>																	

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-2.0%	1.0%	1.0%
"Cash Flow"	9.5%	8.5%	5.5%
Earnings	15.0%	7.0%	7.5%
Dividends	5.0%	10.0%	6.5%
Book Value	.5%	-	6.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year			
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	330.2	362.3	419.9	332.6	1445.0
2018	317.9	352.3	422.7	343.7	1436.6
2019	349.7	330.2	433.6	344.1	1457.6
2020	333.6	357.6	472.5	336.3	1500
2021	350	350	500	350	1550

Cal-endar	EARNINGS PER SHARE <sup>A</sup>	Full Year			
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.29	.47	.92	.25	1.92
2018	.19	.48	1.09	d.10	1.66
2019	.23	.36	1.29	.40	2.28
2020	d.19	.72	1.52	.15	2.20
2021	.19	.44	1.25	.37	2.25

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup> +	Full Year			
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.2425	.2425	.2425	.2425	.97
2018	.265	.265	.265	.265	1.06
2019	.29	.29	.29	.29	1.16
2020	.3075	.3075	.3075	.3075	1.23
2021	.3275				

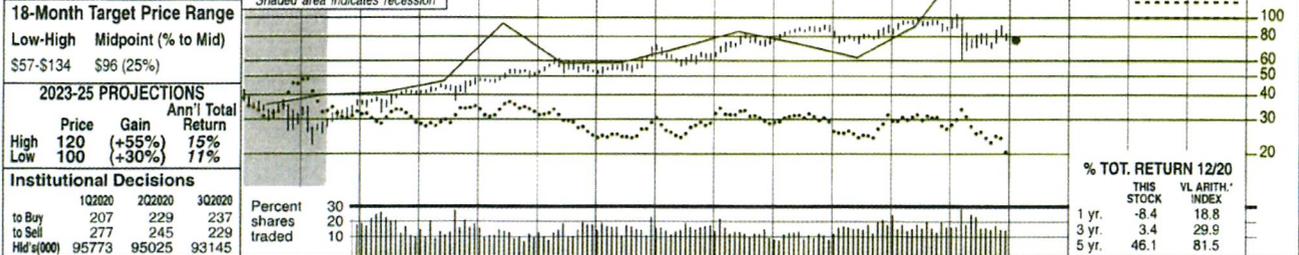
(A) Dil. EPS. Excl. nonrec. gain (losses): '08, (\$3.77); '10, (\$1.36); '11, 88¢; '13, (16¢); '15, (\$1.28); '17, (92¢); '18, (59¢); '19, (\$1.31). Excl. gains from disc. ops.: '08, 42¢; '09, 78¢. '17 EPS don't sum due to rounding. Next eqs. for split. (E) Rate base: net orig. cost. Rate all'd on com. eq. in NM in '18: 9.575%; in TX in '11: 10.125%; earned on avg. com. eq., '19: 10.2%. Regulatory Climate: NM, Below Avg.; TX, Avg. Company's Financial Strength B- Stock's Price Stability 80 Price Growth Persistence 85 Earnings Predictability 75

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# PINNACLE WEST NYSE-PNW

<b>TIMELINESS</b> 2 Lowered 11/27/20	High: 38.0	42.7	48.9	54.7	61.9	71.1	73.3	82.8	92.5	92.6	99.8	105.5	Target Price Range 2023 2024 2025
<b>SAFETY</b> 1 Raised 5/3/13	Low: 22.3	32.3	37.3	45.9	51.5	51.2	56.0	62.5	75.8	73.4	81.6	60.1	
<b>TECHNICAL</b> 3 Lowered 1/8/21	<b>LEGENDS</b> 0.63 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession												
<b>BETA</b> .90 (1.00 = Market)	<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$57-\$134 \$96 (25%)												



<b>2023-25 PROJECTIONS</b> High Price 120 (+55%) Low Price 100 (+30%) Ann'l Total Return 15% Return 17%													% TOT. RETURN 12/20 THIS STOCK VL ARITH. INDEX 1 yr. -8.4 18.8 3 yr. 3.4 29.9 5 yr. 46.1 81.5						
<b>Institutional Decisions</b> 1Q2020 2Q2020 3Q2020 to Buy 207 229 237 to Sell 277 245 229 Hld's(000) 95773 95025 93145																			
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023-25

31.59	30.16	34.03	35.07	33.37	32.50	30.01	29.67	30.09	31.35	31.58	31.50	31.42	31.90	32.93	30.87	31.75	32.30	Revenues per sh	34.75
6.93	5.76	9.70	9.29	8.13	8.08	6.85	7.52	7.92	8.15	8.09	9.09	9.39	9.79	11.41	11.13	11.65	11.90	"Cash Flow" per sh	13.25
2.58	2.24	3.17	2.96	2.12	2.26	3.08	2.99	3.50	3.66	3.58	3.92	3.95	4.43	4.54	4.77	5.10	5.15	Earnings per sh A	6.00
1.83	1.93	2.03	2.10	2.10	2.10	2.10	2.10	2.67	2.23	2.33	2.44	2.56	2.70	2.87	3.04	3.23	3.42	Div'd Decl'd per sh B	4.05
5.86	6.39	7.59	9.37	9.46	7.64	7.03	8.26	8.24	9.36	8.38	9.84	11.64	12.80	10.73	10.76	11.65	15.20	Cap'l Spending per sh	11.75
32.14	34.57	34.48	35.15	34.16	32.69	33.86	34.98	36.20	38.07	39.50	41.30	43.15	44.80	46.59	48.30	50.10	51.70	Book Value per sh C	58.00
91.79	99.08	99.96	100.49	100.89	101.43	108.77	109.25	109.74	110.18	110.57	110.98	111.34	111.75	112.10	112.44	112.65	113.00	Common Shs Outst'g D	118.00
15.8	19.2	13.7	14.9	16.1	13.7	12.6	14.6	14.3	15.3	15.9	16.0	18.7	19.3	17.8	19.4	16.0	16.0	Avg Ann'l P/E Ratio	18.0
83	1.02	.74	.79	.97	.91	.80	.92	.91	.86	.84	.81	.98	.97	.96	1.03	.80	.80	Relative P/E Ratio	1.00
4.5%	4.5%	4.7%	4.8%	6.2%	6.8%	5.4%	4.8%	5.3%	4.0%	4.1%	3.9%	3.5%	3.2%	3.5%	3.3%	4.0%	4.0%	Avg Ann'l Div'd Yield	3.7%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$6374.3 mill. Due in 5 Yrs \$1573.0 mill.  
 LT Debt \$6316.4 mill. LT Interest \$226.5 mill.  
 Incl. \$13.4 mill. Palo Verde sale leaseback lessor notes.  
 (LT interest earned: 3.4x)  
 Leases, Uncapitalized Annual rentals \$14.7 mill.  
 Pension Assets-12/19 \$3318.4 mill. Oblig \$3613.1 mill.  
 Pfd Stock None  
 Common Stock 112,596,784 shs. as of 10/23/20  
 MARKET CAP: \$8.6 billion (Large Cap)

3263.6	3241.4	3301.8	3454.6	3491.6	3495.4	3498.7	3565.3	3691.2	3471.2	3575	3650	Revenues (\$mill)	4100
330.4	328.2	387.4	406.1	397.6	437.3	442.0	497.8	511.0	538.3	575	585	Net Profit (\$mill)	710
31.9%	34.0%	36.2%	34.4%	34.2%	34.3%	33.9%	32.5%	20.2%	20.2%	13.0%	13.0%	Income Tax Rate	13.0%
11.7%	12.8%	9.7%	10.0%	11.6%	11.8%	14.1%	13.9%	15.2%	9.3%	9.0%	12.0%	AFUDC % to Net Profit	7.0%
45.3%	44.1%	44.6%	40.0%	41.0%	43.0%	45.6%	48.9%	47.0%	47.1%	53.0%	55.5%	Long-Term Debt Ratio	57.0%
54.7%	55.9%	55.4%	60.0%	59.0%	57.0%	54.4%	51.1%	53.0%	52.9%	47.0%	44.5%	Common Equity Ratio	43.0%
6729.1	6840.9	7171.9	6990.9	7398.7	8046.3	8825.4	9796.4	9861.1	10263	11975	13175	Total Capital (\$mill)	16025
9578.8	9962.3	10396	10889	11194	11809	12714	13445	14030	14523	15100	16050	Net Plant (\$mill)	18100
6.5%	6.4%	6.8%	7.1%	6.4%	6.4%	6.0%	6.1%	6.2%	6.3%	5.5%	5.5%	Return on Total Cap'l	5.5%
9.0%	8.6%	9.8%	9.7%	9.1%	9.5%	9.2%	9.9%	9.8%	9.9%	10.0%	10.0%	Return on Shr. Equity	10.5%
9.0%	8.6%	9.8%	9.7%	9.1%	9.5%	9.2%	9.9%	9.8%	9.9%	10.0%	10.0%	Return on Com Equity E	10.5%
3.1%	2.8%	4.1%	4.1%	3.5%	3.9%	3.5%	4.2%	3.9%	3.8%	4.0%	3.5%	Retained to Com Eq	3.5%
66%	68%	58%	58%	62%	59%	62%	58%	60%	61%	63%	66%	All Div'ds to Net Prof	67%

**BUSINESS:** Pinnacle West Capital Corporation is a holding company for Arizona Public Service Company (APS), which supplies electricity to 1.3 million customers in most of Arizona, except about half of the Phoenix metro area, the Tucson metro area, and Mohave County in northwestern Arizona. Discontinued SunCor real estate subsidiary in '10. Electric revenue breakdown: residential, 51%; commercial, 38%; industrial, 5%; other, 6%. Generating sources: nuclear, 28%; gas & other, 28%; coal, 24%; purchased, 20%. Fuel costs: 30% of revenues. '19 reported deprec. rate: 2.8%. Has 6,200 employees. Chairman, President & CEO: Jeffrey B. Guldner. Inc.: AZ. Address: 400 North Fifth St., P.O. Box 53999, Phoenix, AZ 85072-3999. Tel.: 602-250-1000. Internet: www.pinnaclewest.com.

**Pinnacle West's utility subsidiary has revised its general rate case.** Arizona Public Service originally filed for an increase of \$184 million (5.6%), based on a return on equity of 10.15% and a common-equity ratio of 54.7%. The utility reduced its requested hike to \$169 million (5.1%), based on an ROE of 10% and the same common-equity ratio. APS is trying to place capital investments in the rate base and obtain regulatory mechanism to track and recover certain expenses, such as property taxes. The staff of the Arizona Corporation Commission recommended an increase of \$59.8 million (1.8%), based on a 9.4% ROE and the same common-equity ratio. There is no statutory time frame for an order, and the case has been delayed several months. Perhaps an increase will go into effect as early as mid-2021. There is always some risk surrounding rate cases, but the fact that two of the five commissioners are new to their positions adds uncertainty to the current proceedings. **We raised our 2020 earnings estimate by \$0.15 a share, to \$5.10.** The company's third-quarter tally was boosted significantly by a record-hot summer in APS' service area. In fact, upon reporting third-quarter profits, Pinnacle West raised its targeted range by \$0.20 a share, to \$4.95-\$5.15. The fourth-quarter comparison will almost certainly be materially negative due to some discretionary spending and the acceleration of some operating expenses from 2021 to 2020. **We look for slightly higher profits this year.** This is based on the assumption that a rate increase will be in effect by the start of the seasonally strong third quarter. However, APS benefited from favorable weather conditions in the second and third quarters of 2020, and we base our 2021 estimate on normal weather. **The board of directors raised the annual dividend \$0.19 a share (6.1%) in the fourth quarter.** This has been the growth rate of the disbursement in recent years. We think dividend hikes will continue at that level through 2023-2025. **This timely stock is attractive for conservative income-oriented investors.** The yield is above the utility average, and total return potential for the 18-month span and 3- to 5-year period are solid. *Paul E. Debbas, CFA January 22, 2021*

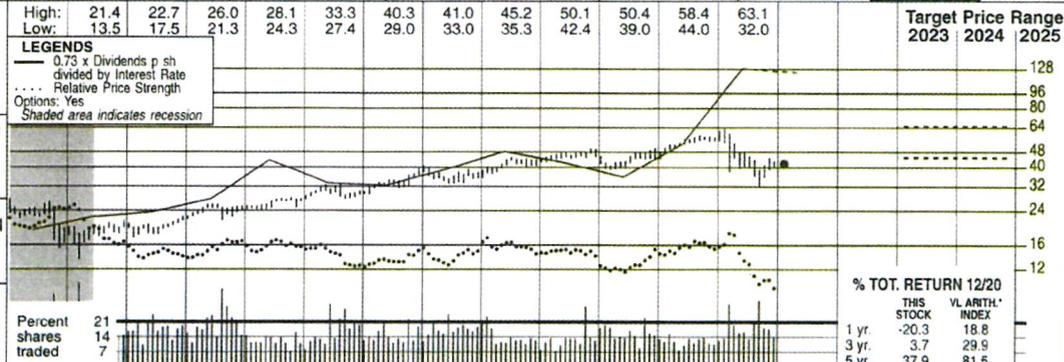
<b>ANNUAL RATES</b> of change (per sh) Revenues -5.5% "Cash Flow" 2.5% Earnings 6.5% Dividends 3.0% Book Value 3.0%	<b>Past 10 Yrs.</b> 10 Yrs. 5 Yrs. to '17-'19 Past 5 Yrs. 5.5% Past 3 Yrs. 6.0% Past 1 Yr. 4.5% Past 6 Mos. 6.0% Past 3 Mos. 3.5%	<b>QUARTERLY REVENUES (\$ mill.)</b> Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 677.7 944.6 1183.3 759.7 3565.3 2018 692.7 974.1 1268.0 756.4 3691.2 2019 740.5 869.5 1190.8 670.4 3471.2 2020 661.9 929.6 1254.5 729 3575 2021 750 900 1250 750 3650	<b>EARNINGS PER SHARE A</b> Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 .21 1.49 2.46 27 4.43 2018 .03 1.48 2.80 23 4.54 2019 .16 1.28 2.77 .57 4.77 2020 .27 1.71 3.07 .05 5.10 2021 .15 1.50 3.15 .35 5.15	<b>QUARTERLY DIVIDENDS PAID B</b> Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 .655 .655 .655 .695 2.66 2018 .695 .695 .695 .7375 2.82 2019 .7375 .7375 .7375 .7825 3.00 2020 .7825 .7825 .7825 .83 3.18
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(A) Diluted EPS. Excl. nonrec. gain (loss): '09, (\$1.45); '17, 8c; gains (losses) from discount ops.: '05, (36c); '06, 10c; '08, 28c; '09, (13c); '10, 18c; '11, 10c; '12, (5c). '19 EPS don't sum due to rounding. Next earnings report due late Feb. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. There were 5 declarations in '12. Div'd reinvestment plan avail. (C) Incl. deferred charges. In '19: \$14.00/sh. (D) In mill. (E) Rate base: Fair value. Rate allowed on com. eq. in '17: 10.0%; earned on avg. com. eq., '19: 10.1%. Regulatory Climate: Average. Company's Financial Strength A+  
 Stock's Price Stability 90  
 Price Growth Persistence 65  
 Earnings Predictability 100

# PORTLAND GENERAL NYSE-POR

RECENT PRICE **41.90** P/E RATIO **27.7** (Trailing: 14.3 Median: 17.0) RELATIVE P/E RATIO **1.28** DIV'D YLD **4.0%** VALUE LINE

**TIMELINESS** 4 Lowered 1/22/21  
**SAFETY** 3 Lowered 9/4/20  
**TECHNICAL** 4 Lowered 1/8/21  
**BETA** .85 (1.00 = Market)  
**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$34-\$80 \$57 (35%)  
**2023-25 PROJECTIONS**  
 High Price Gain Ann'l Total  
 Low 45 (+5%) 15% 6%  
**Institutional Decisions**  
 10/20/20 20/20/20 30/20/20  
 to Buy 132 157 147  
 to Sell 197 158 180  
 Held (000) 86455 90761 81534



2004	2005F	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
--	23.14	24.32	27.87	27.89	23.99	23.67	24.06	23.89	23.18	24.29	21.38	21.62	22.54	22.30	23.75	24.00	24.55	Revenues per sh	27.25
--	4.75	4.64	5.21	4.71	4.07	4.82	4.96	5.15	4.93	6.08	5.37	5.78	6.16	6.65	6.97	6.25	7.50	"Cash Flow" per sh	8.75
--	1.02	1.14	2.33	1.39	1.31	1.66	1.95	1.87	1.77	2.18	2.04	2.16	2.29	2.37	2.39	1.55	2.65	Earnings per sh <sup>A</sup>	3.00
--	--	.68	.93	.97	1.01	1.04	1.06	1.08	1.10	1.12	1.18	1.26	1.34	1.43	1.52	1.59	1.68	Div'd Decl'd per sh <sup>B</sup> = †	2.00
--	4.08	5.94	7.28	6.12	9.25	5.97	3.98	4.01	8.40	12.87	6.73	6.57	5.77	6.67	6.78	8.60	7.45	Cap'l Spending per sh	6.00
--	19.15	19.58	21.05	21.64	20.50	21.14	22.07	22.87	23.30	24.43	25.43	26.35	27.11	28.07	28.99	28.95	29.90	Book Value per sh <sup>C</sup>	33.00
--	62.50	62.50	62.53	62.58	75.21	75.32	75.36	75.56	78.09	78.23	88.79	88.95	89.11	89.27	89.39	89.55	89.65	Common Shs Outst'g <sup>D</sup>	90.00
--	--	23.4	11.9	16.3	14.4	12.0	12.4	14.0	16.9	15.3	17.7	19.1	20.0	18.4	22.3	29.4	--	Avg Ann'l P/E Ratio	18.0
--	--	1.26	.63	.98	.96	.76	.78	.89	.95	.81	.89	1.00	1.01	.99	1.19	1.50	--	Relative P/E Ratio	1.00
--	--	2.5%	3.3%	4.3%	5.4%	5.2%	4.4%	4.1%	3.7%	3.3%	3.3%	3.1%	2.9%	3.3%	2.8%	3.5%	--	Avg Ann'l Div'd Yield	3.7%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$3058 mill. Due in 5 Yrs \$541 mill.  
 LT Debt \$2657 mill. LT Interest \$129 mill.  
 Incl. \$135 mill. capitalized leases.  
 (LT interest earned: 2.2x)  
**Leases, Uncapitalized Annual rentals \$8 mill.**  
**Pension Assets-12/19 \$695 mill.**  
**Oblig \$905 mill.**  
**Pfd Stock None**  
**Common Stock 89,510,606 shs.**  
**as of 10/26/20**  
**MARKET CAP: \$3.8 billion (Mid Cap)**

1783.0	1813.0	1805.0	1810.0	1900.0	1898.0	1923.0	2009.0	1991.0	2123.0	2150	2200	Revenues (\$mill)	2450
125.0	147.0	141.0	137.0	175.0	172.0	193.0	204.0	212.0	214.0	140	240	Net Profit (\$mill)	275
30.5%	28.3%	31.4%	23.2%	26.0%	20.7%	20.6%	25.3%	7.4%	11.2%	Nil	11.0%	Income Tax Rate	11.0%
17.6%	5.4%	7.1%	14.6%	33.7%	19.8%	16.6%	8.8%	8.0%	7.0%	14.0%	6.0%	AFUDC % to Net Profit	6.0%
53.0%	49.6%	47.1%	51.3%	52.7%	47.8%	48.4%	50.1%	46.5%	51.3%	53.5%	55.0%	Long-Term Debt Ratio	54.0%
47.0%	50.4%	52.9%	48.7%	47.3%	52.2%	51.6%	49.9%	53.5%	48.7%	46.5%	45.0%	Common Equity Ratio	46.0%
3390.0	3298.0	3264.0	3735.0	4037.0	4329.0	4544.0	4842.0	4684.0	5323.0	5575	5965	Total Capital (\$mill)	6475
4133.0	4285.0	4392.0	4880.0	5679.0	6012.0	6434.0	6741.0	6887.0	7161.0	7510	7745	Net Plant (\$mill)	7875
5.4%	6.2%	5.9%	5.1%	5.8%	5.4%	5.6%	5.5%	5.8%	5.1%	3.5%	5.0%	Return on Total Cap'l	5.5%
7.9%	8.8%	8.2%	7.5%	9.2%	7.6%	8.2%	8.4%	8.5%	8.3%	5.5%	9.0%	Return on Shr. Equity	9.5%
7.9%	8.8%	8.2%	7.5%	9.2%	7.6%	8.2%	8.4%	8.5%	8.3%	5.5%	9.0%	Return on Com Equity <sup>E</sup>	9.5%
3.0%	4.1%	3.5%	2.9%	4.6%	3.3%	3.5%	3.6%	3.5%	3.1%	NMF	3.0%	Retained to Com Eq	3.0%
62%	54%	57%	61%	50%	56%	57%	58%	59%	63%	NMF	63%	All Div'ds to Net Prof	65%

**ELECTRIC OPERATING STATISTICS**  
 2017 2018 2019  
 % Change Retail Sales (KWH) +3.9 -2.5 +1.2  
 Avg. Indust. Use (MWH) 16041 16207 17827  
 Avg. Indust. Revs. per KWH (c) 4.94 4.79 4.75  
 Capacity at Peak (Mw) 4743 4859 NA  
 Peak Load, Summer (Mw) 3976 3816 3765  
 Annual Load Factor (%) NA NA NA  
 % Change Customers (yr-end) +1.3 +1.1 +1.1  
 Fixed Charge Cov. (%) 298 266 265

**BUSINESS:** Portland General Electric Company (PGE) provides electricity to 901,000 customers in 52 cities in a 4,000-square-mile area of Oregon, including Portland and Salem. The company is in the process of decommissioning the Trojan nuclear plant, which it closed in 1993. Electric revenue breakdown: residential, 47%; commercial, 30%; industrial, 9%; other, 14%. Generating sources: gas, 36%; coal, 19%; wind, 8%; hydro, 6%; purchased, 31%. Fuel costs: 29% of revenues. '19 reported depreciation rate: 3.6%. Has 2,900 employees. Chairman: Jack E. Davis. President and Chief Executive Officer: Maria M. Pope. Incorporated: Oregon. Address: 121 S.W. Salmon Street, Portland, Oregon 97204. Telephone: 503-464-8000. Internet: www.portlandgeneral.com.

**ANNUAL RATES**

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-1.5%	-1.0%	3.0%
"Cash Flow"	3.5%	4.0%	5.0%
Earnings	3.5%	4.0%	4.0%
Dividends	4.0%	5.5%	6.0%
Book Value	3.0%	3.5%	2.5%

**QUARTERLY REVENUES (\$mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	530	449	515	515	2009
2018	493	449	525	524	1991
2019	573	460	542	548	2123
2020	573	469	547	561	2150
2021	580	475	570	575	2200

**EARNINGS PER SHARE <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.82	.36	.44	.67	2.29
2018	.72	.51	.59	.55	2.37
2019	.82	.28	.61	.68	2.39
2020	.91	.43	d.19	.40	1.55
2021	.85	.45	.60	.75	2.65

**QUARTERLY DIVIDENDS PAID <sup>B</sup> = †**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.32	.32	.34	.34	1.32
2018	.34	.34	.3625	.3625	1.41
2019	.3625	.3625	.385	.385	1.50
2020	.385	.385	.385	.4075	1.56
2021	.4075				

**Portland General Electric's earnings almost certainly declined sharply in 2020.** The reason was a large energy-trading loss in August. This hurt third-quarter and full-year profits by \$1.09 a share, and sent the September-period tally into the red. The company established a committee of board members to review its operations, and made some changes in personnel and its organizational structure as a result. The costs of these changes were not material, and PGE cut some expenses to offset part of the cost of the trading loss. Management is guiding Wall Street to the upper half of its earnings target of \$1.40-\$1.60 a share.

**We expect an earnings recovery this year.** The energy-trading loss was limited to the incident in the third quarter of 2020, so we assume no recurrence of any such problems. We also expect the utility to benefit from a better economy in its service area. Renewable-energy investments are being recovered through a renewable adjustment clause. PGE's long-term goal for annual earnings growth is 4%-6%, using the 2019 tally as the base. We expect a dividend increase, too, as the company expects the trading loss will not affect this.

**A noteworthy capital project was completed in 2020, and another is on track for completion in 2021.** PGE has a one-third stake in a 300-megawatt windfarm in a joint venture with NextEra Energy. (In conjunction with the project, the latter company will own 50 mw of solar capacity and 30 mw of battery of storage that are scheduled for completion by year-end.) The cost of PGE's share of the windfarm was \$160 million. The company is building an integrated operations center at an expected cost of \$200 million. This is scheduled for completion by yearend.

**Despite the trading loss, finances are sound.** Interest coverage is adequate, and the common-equity ratio is healthy. PGE does not need to issue equity to finance its capital expenditures. PGE's Financial Strength rating is B++.

**This untimely stock's dividend yield is slightly above the utility average.** The equity is noteworthy for its 18-month prospects, however, and offers respectable 3- to 5-year total return potential.

Paul E. Debbas, CFA January 22, 2021

(A) Diluted EPS. Excl. nonrecurring losses: '13, 42c; '17, 19c. Next earnings report due mid-Feb. (B) Div'ds paid mid-Jan., Apr., July, and Oct. = Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred charges. In '19: \$483 mill., \$5.40/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '19: 9.5%; earned on avg. com. eq., '19: 8.4%. Regulatory Climate: Average. (F) '05 per-share data are pro forma, based on shs. outstanding when stock began trading in '06.

Company's Financial Strength		B++
Stock's Price Stability		90
Price Growth Persistence		75
Earnings Predictability		90

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# SEMPRA ENERGY NYSE-SRE

RECENT PRICE **118.41** P/E RATIO **16.9** (Trailing: 18.4 Median: 20.0) RELATIVE P/E RATIO **0.78** DIV'D YLD **3.8%** VALUE LINE

**TIMELINESS** 3 Lowered 12/25/20  
**SAFETY** 2 Raised 7/29/16  
**TECHNICAL** 2 Raised 1/22/21  
**BETA** 1.00 (1.00 = Market)

High: 57.2 57.2 56.0 72.9 93.0 116.3 116.2 114.7 123.0 127.2 154.5 161.9  
 Low: 36.4 43.9 44.8 54.7 70.6 86.7 89.4 86.7 99.7 100.5 106.1 88.0

**LEGENDS**  
 0.90 x Dividends p sh divided by Interest Rate  
 Relative Price Strength  
 Options: Yes  
 Shaded area indicates recession



**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$104-\$239 \$172 (45%)

**2023-25 PROJECTIONS**  
 Price Gain Ann'l Total  
 High 195 (+65%) 16%  
 Low 145 (+20%) 9%

**Institutional Decisions**  
 1Q2020 2Q2020 3Q2020  
 to Buy 331 379 354  
 to Sell 425 328 345  
 Hlds(000) 245315 246941 242632

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	VALUE LINE PUB. LLC	23-25
40.18	45.64	44.89	43.79	44.21	32.88	37.44	41.83	39.80	43.18	44.80	41.20	40.71	44.59	42.69	37.12	38.80	37.30	Revenues per sh	44.50
6.58	5.96	6.74	6.93	7.40	7.94	7.76	8.58	8.92	8.87	9.41	10.32	9.50	11.07	11.14	12.55	13.25	13.25	"Cash Flow" per sh	16.75
3.93	3.52	4.23	4.26	4.43	4.78	4.02	4.47	4.35	4.22	4.63	5.23	4.24	4.63	5.48	5.97	6.80	7.90	Earnings per sh A	10.00
1.00	1.16	1.20	1.24	1.37	1.56	1.56	1.92	2.40	2.52	2.64	2.80	3.02	3.29	3.58	3.87	4.18	4.50	Div'd Decl'd per sh B =	5.60
4.62	5.46	7.28	7.70	8.47	7.76	8.58	11.85	12.20	10.52	12.68	12.71	16.85	15.71	13.82	12.71	18.70	16.50	Cap'l Spending per sh	13.00
20.78	23.95	28.66	31.87	32.75	36.54	37.54	41.00	42.42	45.03	45.98	47.56	51.77	50.41	54.35	60.58	72.35	77.10	Book Value per sh C	89.00
234.18	257.19	262.01	261.21	243.32	246.51	240.45	239.93	242.37	244.46	246.33	249.30	250.15	251.36	273.77	291.71	290.00	315.00	Common Shs Outst'g D	330.00
8.6	11.8	11.5	14.0	11.8	10.1	12.6	11.8	14.9	19.7	21.9	19.7	24.4	24.3	20.4	22.5	19.0	19.0	Avg Ann'l P/E Ratio	17.5
.45	.63	.62	.74	.71	.67	.90	.74	.95	1.11	1.15	.99	1.28	1.22	1.10	1.20	.95	.95	Relative P/E Ratio	.95
2.9%	2.8%	2.5%	2.1%	2.6%	3.2%	3.1%	3.6%	3.7%	3.0%	2.6%	2.7%	2.9%	2.9%	3.2%	2.9%	3.2%	3.2%	Avg Ann'l Div'd Yield	3.3%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$25432 mill. Due in 5 Yrs \$7753 mill.  
 LT Debt \$21770 mill. LT Interest \$838 mill.  
 Incl. \$1275 mill. capitalized leases.  
 (LT interest earned: 3.3x)  
 Leases, Uncapitalized Annual rentals \$75 mill.  
 Pension Assets-12/19 \$2662 mill.  
 Oblig \$3768 mill.  
 Pfd Stock \$3167 mill. Pfd Div'd \$186 mill.  
 17.25 mill. shs. 6% mand. conv. pfd.; 5.75 mill. shs.  
 6.75% mand. conv. pfd.; 811,073 shs. 6% cum.,  
 \$25 par.; 900,000 shs. 4.875% cum.  
 Common Stock 288,470,244 shs. as of 11/2/20  
**MARKET CAP: \$34 billion (Large Cap)**

9003.0	10036	9647.0	10557	11035	10231	10183	11207	11687	10829	11250	11750	11750	11750	11750	11750	11750	11750	Revenues (\$mill)	14000
1008.0	1088.0	1079.0	1060.0	1162.0	1314.0	1065.0	1169.0	1607.0	1825.0	2270	2600	2600	2600	2600	2600	2600	2600	Net Profit (\$mill)	3365
26.5%	25.3%	18.2%	26.5%	19.7%	19.2%	14.4%	24.5%	20.1%	17.9%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	Income Tax Rate	10.0%
11.3%	15.2%	17.2%	11.2%	14.4%	15.3%	22.2%	21.9%	12.6%	10.0%	8.0%	7.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	AFUDC % to Net Profit	6.0%
49.4%	50.4%	52.8%	50.5%	51.7%	52.6%	52.7%	56.4%	55.7%	51.0%	48.0%	48.5%	48.5%	48.5%	48.5%	48.5%	48.5%	48.5%	Long-Term Debt Ratio	49.5%
49.6%	49.2%	46.7%	49.4%	48.2%	47.3%	47.3%	43.5%	38.4%	43.4%	45.5%	49.5%	49.5%	49.5%	49.5%	49.5%	49.5%	49.5%	Common Equity Ratio	49.0%
18186	20015	22002	22281	23513	24963	27400	29135	38769	40734	46350	48825	48825	48825	48825	48825	48825	48825	Total Capital (\$mill)	57200
19876	23572	25191	25460	25902	28039	32931	38503	36796	36452	40200	43625	43625	43625	43625	43625	43625	43625	Net Plant (\$mill)	49900
6.8%	6.7%	6.1%	6.0%	6.1%	6.4%	5.0%	5.1%	5.1%	5.5%	6.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	Return on Total Cap'l	7.0%
10.9%	10.9%	10.4%	9.6%	10.2%	11.1%	8.2%	9.2%	9.4%	9.1%	9.0%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	Return on Shr. Equity	11.0%
11.1%	11.0%	10.4%	9.6%	10.3%	11.1%	8.2%	9.2%	10.0%	9.5%	9.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	Return on Com Equity E	11.0%
7.0%	6.5%	5.1%	4.1%	5.0%	5.8%	2.9%	3.3%	4.1%	3.9%	3.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	Retained to Com Eq	5.0%
37%	41%	52%	58%	52%	48%	65%	65%	62%	62%	65%	58%	58%	58%	58%	58%	58%	58%	All Div'ds to Net Prof	57%

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (KWh)	-2	-3.2	-4.3
Avg. Indust. Use (MWh)	NA	NA	NA
Avg. Indust. Revs. per KWh (c)	NA	NA	NA
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+8	+9	+8

**BUSINESS:** Sempra Energy is a holding co. for San Diego Gas & Electric Company, which sells electricity & gas mainly in San Diego County, & Southern California Gas Company, which distributes gas to most of Southern California. Owns 80% of Oncor (acq'd 3/18), which distributes electricity in Texas. Customers: 5.2 million electric, 6.9 million gas. Electric revenue breakdown not available. Purchases most of its power; the rest is gas. Has nonutility subsidiaries, incl. IEnova (67% owned) in Mexico. Sold commodities businesses in '10. Power costs: 25% of revenues. '19 reported deprec. rates: 2.5%-6.6%. Has 14,000 employees. Chairman, President & CEO: Jeffrey W. Martin. Inc.: CA. Address: 488 8th Ave., San Diego, CA 92101. Tel.: 619-696-2000. Internet: www.sempra.com.

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 of change (per sh)  
 Revenues .5% -5% 1.0%  
 "Cash Flow" 4.0% 4.0% 7.5%  
 Earnings 2.0% 4.0% 11.0%  
 Dividends 10.0% 7.5% 7.5%  
 Book Value 5.0% 4.5% 8.5%

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	3031	2533	2679	2964	11207
2018	2962	2564	2940	3221	11687
2019	2898	2230	2758	2943	10829
2020	3029	2526	2644	3051	11250
2021	3200	2550	2800	3200	11750

**EARNINGS PER SHARE A**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.75	1.20	.22	1.46	4.63
2018	1.43	1.27	1.23	1.55	5.48
2019	1.78	.85	2.00	1.34	5.97
2020	2.30	1.58	1.21	1.71	6.80
2021	2.30	1.80	1.85	1.95	7.90

**QUARTERLY DIVIDENDS PAID B =**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.755	.8225	.8225	.8225	3.22
2018	.8225	.895	.895	.895	3.51
2019	.895	.9675	.9675	.9675	3.80
2020	.9675	1.045	1.045	1.045	4.10
2021	1.045				

**Sempra has announced a transaction that would revamp its corporate structure.** Sempra owns 70% of IEnova, a Mexican energy infrastructure company. Through a tender offer to IEnova shareholders, the company would issue stock (an estimated 13.6 million shares, valued at \$1.6 billion) for the 30% it doesn't own. Then Sempra would combine this business with its own infrastructure operations to create Sempra Infrastructure Partners, focused on liquefied natural gas, pipelines, and renewables. Then, the company would sell a minority stake in Sempra Infrastructure Partners. Projects in operation include the Cameron LNG facility (see below), and several more projects are under development, including an LNG terminal in Mexico in which the company would take a \$500 million equity stake. Sempra expects to complete the transaction in the current quarter. This should benefit the company's earning power, but we will not reflect the deal in our figures until it is completed.

**Earnings will probably rise sharply in 2021.** Note that our 2020 estimate is below Sempra's targeted range of \$7.20-\$7.80 a

share because the company excludes some expenses we include and includes earnings (other than the gains on the sales) of its discontinued operations in South America. Sempra's utilities in California are benefiting from rate relief, and its utility in Texas is growing fast and has increased its capital budget. This is Cameron's first full year of operation, and this is expected to provide \$400 million-\$450 million of net profit. Our 2021 earnings estimate is within Sempra's targeted range of \$7.50-\$8.10 a share.

**We expect the board of directors to raise the dividend, effective with the April payment.** We estimate a boost of \$0.32 a share (7.7%) in the annual payout. **San Diego Gas & Electric is trying to extend its franchise agreement with the city of San Diego.** The agreement was extended for five months, but the possibility of losing the agreement is a source of uncertainty.

**Sempra stock has an average dividend yield for a utility.** The equity offers attractive total return potential for the 18-month and 3- to 5-year periods. *Paul E. Debbas, CFA January 22, 2021*

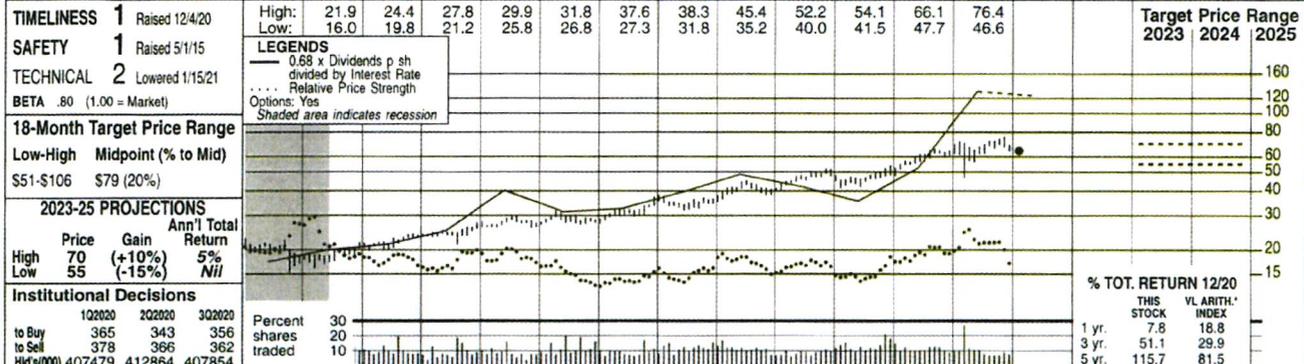
(A) Diluted EPS. Excl. nonrec. gains (losses): '09, (26c); '10, (\$1.05); '11, \$1.15; '12, (98c); '13, (30c); '15, 14c; '16, \$1.23; '17, (17c); '18, (\$2.06); '19, 16c; gain (losses) from disc. ops.: '06, \$1.21; '07, (10c); '19, 95c; '20, \$6.32. Next earnings report due late Feb. (B) Div'ds paid mid-Jan., Apr., July, Oct. (C) Div'd reinvestment plan avail. (D) Incl. intang. In '19: \$13.37/sh.

(E) In mill. (F) Rate base: Net orig. cost. Rate all'd on com. eq.: SDG&E in '20: 10.2%; SoCalGas in '20: 10.05%; earned on avg. com. eq., '19: 10.4%. Regulatory Climate: Average.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	75
Earnings Predictability	75

# XCEL ENERGY NDQ-XEL

RECENT PRICE **64.40** P/E RATIO **22.2** (Trailing: 23.0 Median: 16.0) RELATIVE P/E RATIO **1.02** DIV'D YLD **2.8%** VALUE LINE



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
20.84	23.86	24.16	23.40	24.69	21.08	21.38	21.90	20.76	21.92	23.11	21.72	21.90	22.46	22.44	21.98	21.15	22.15	Revenues per sh	24.25
3.27	3.28	3.61	3.45	3.50	3.48	3.51	3.79	4.00	4.10	4.28	4.56	5.04	5.47	5.92	6.25	6.60	7.20	"Cash Flow" per sh	9.00
1.27	1.20	1.35	1.35	1.46	1.49	1.56	1.72	1.85	1.91	2.03	2.10	2.21	2.30	2.47	2.64	2.80	2.95	Earnings per sh <sup>A</sup>	3.50
.81	.85	.88	.91	.94	.97	1.00	1.03	1.07	1.11	1.20	1.28	1.36	1.44	1.52	1.62	1.72	1.82	Div'd Decl'd per sh <sup>B</sup>	2.15
3.19	3.25	4.00	4.89	4.66	3.91	4.60	4.53	5.27	6.82	6.33	7.26	6.42	6.54	7.70	8.05	6.70	7.70	Cap'l Spending per sh	8.25
12.99	13.37	14.28	14.70	15.35	15.92	16.76	17.44	18.19	19.21	20.20	20.89	21.73	22.56	23.78	25.24	27.25	28.55	Book Value per sh <sup>C</sup>	33.25
400.46	403.39	407.30	428.78	453.79	457.51	482.33	486.49	487.96	497.97	505.73	507.54	507.22	507.76	514.04	524.54	539.00	542.00	Common Shs Outst'g <sup>D</sup>	555.00
13.6	15.4	14.8	16.7	13.7	12.7	14.1	14.2	14.8	15.0	15.4	16.5	18.5	20.2	18.9	22.3	23.8		Avg Ann'l P/E Ratio	18.0
.72	.82	.80	.89	.82	.85	.90	.89	.94	.84	.81	.83	.97	1.02	1.02	1.02	1.19	1.20	Relative P/E Ratio	1.00
4.7%	4.6%	4.4%	4.0%	4.7%	5.1%	4.5%	4.2%	3.9%	3.9%	3.8%	3.7%	3.3%	3.1%	3.3%	2.7%	2.6%		Avg Ann'l Div'd Yield	3.4%

**CAPITAL STRUCTURE as of 9/30/20**

Total Debt \$20861 mill. Due in 5 Yrs \$3725 mill.  
 LT Debt \$19960 mill. LT Interest \$800 mill.  
 Incl. \$77 mill. capitalized leases.  
 (LT interest earned: 2.8x)

Leases, Uncapitalized Annual rentals \$262 mill.  
 Pension Assets-12/19 \$3184 mill.  
 Oblig \$3701 mill.

Pfd Stock None

Common Stock 525,457,773 shs.  
 as of 10/19/20

**MARKET CAP: \$34 billion (Large Cap)**

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Revenues (\$mill)	13500
10311	10655	10128	10915	11686	11024	11107	11404	11537	11529	11400	12000	Revenues (\$mill)	13500						
727.0	841.4	905.2	948.2	1021.3	1063.6	1123.4	1171.0	1261.0	1372.0	1480	1600	Net Profit (\$mill)	1960						
37.5%	35.8%	33.2%	33.8%	33.9%	35.8%	34.1%	30.7%	12.6%	8.5%	Nil	NMF	Income Tax Rate	NMF						
11.7%	9.4%	10.8%	13.4%	12.5%	7.7%	7.8%	9.4%	12.4%	8.3%	11.0%	7.0%	AFUCD % to Net Profit	7.0%						
53.1%	51.1%	53.3%	53.3%	53.0%	54.1%	56.3%	55.9%	56.4%	56.8%	57.0%	56.0%	Long-Term Debt Ratio	55.5%						
46.3%	48.9%	46.7%	46.7%	47.0%	45.9%	43.7%	44.1%	43.6%	43.2%	43.0%	44.0%	Common Equity Ratio	44.5%						
17452	17331	19018	20477	21714	23092	25216	25975	28025	30646	34350	35325	Total Capital (\$mill)	41500						
20663	22353	23809	26122	28757	31206	32842	34329	36944	39483	41000	42875	Net Plant (\$mill)	48400						
5.7%	6.5%	6.1%	6.0%	6.0%	5.8%	5.7%	5.8%	5.7%	5.6%	5.5%	5.5%	Return on Total Cap'l	6.0%						
8.9%	9.9%	10.2%	9.9%	10.0%	10.0%	10.2%	10.2%	10.3%	10.4%	10.0%	10.5%	Return on Shr. Equity	10.5%						
8.9%	9.9%	10.2%	9.9%	10.0%	10.0%	10.2%	10.2%	10.3%	10.4%	10.0%	10.5%	Return on Com Equity <sup>E</sup>	10.5%						
3.6%	4.3%	4.7%	4.5%	4.5%	4.3%	4.0%	3.9%	4.3%	4.4%	4.0%	4.0%	Retained to Com Eq	4.0%						
59%	56%	54%	54%	55%	57%	61%	62%	58%	58%	62%	61%	All Div'ds to Net Prof	61%						

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (KWH)	-7	+3.2	-1.2
Large C & I Use (MWH)	22642	23004	NA
Large C & I Rev. per KWH (c)	6.36	5.91	5.96
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	19591	20293	20146
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+9	+1.1	+1.0

Fixed Charge Cov. (%) 330 281 272

**BUSINESS:** Xcel Energy Inc. is the parent of Northern States Power, which supplies electricity to Minnesota, Wisconsin, North Dakota, South Dakota & Michigan & gas to Minnesota, Wisconsin, North Dakota & Michigan; P.S. of Colorado, which supplies electricity & gas to Colorado; & Southwestern Public Service, which supplies electricity to Texas & New Mexico. Customers: 3.7 mill. elec., 2.1 mill. gas. Elec. rev. breakdown: res'l, 31%; sm. comm'l & ind'l, 36%; lg. comm'l & ind'l, 18%; other, 15%. Generating sources not avail. Fuel costs: 39% of revs. '19 reported depr. rate: 3.3%. Has 11,300 emp. Chairman & CEO: Ben Fowke. President & COO: Bob Frenzel. Inc.: MN. Address: 414 Nicollet Mall, Minneapolis, MN 55401. Tel.: 612-330-5500. Internet: www.xcelenergy.com.

**Xcel Energy's Northern States Power facility will not have a general rate case in Minnesota in 2021.** NSP had filed a request for a multiyear rate hike over three years, but included an alternative proposal for a continuation of mechanisms that benefited the utility's earning power in 2020 by adjusting revenues for fluctuations in sales, earning a return on certain capital expenditures, and recouping higher property taxes. The commission adopted the alternative proposal, just as it did a year earlier. NSP did file a traditional rate case in North Dakota. The utility asked for a hike of \$22 million (10.8%), based on a return on equity of 10.2% and a common-equity ratio of 52.5%. An interim increase of \$16 million this month, and a final order is expected in the third quarter.

**The Minnesota commission approved a proposal to repower some wind projects.** This will add 650 megawatts of capacity at a cost of \$750 million. NSP plans to ask the regulators to approve the addition of 460 mw of solar capacity at a projected cost of \$650 million. The spending will occur from 2021 through 2024.

**A rate filing is pending in New Mexico and upcoming in Texas.** Southwestern Public Service filed for an \$88 million increase in New Mexico, based on a 10.35% ROE and a 54.7% common-equity ratio. We were expecting an application in Texas as this report went to press. The utility wants to place a wind project in the rate base. Orders on the cases are expected later in 2021, but won't likely have much effect on Xcel's earning power until next year.

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2017	2946 2645 3017 2796	11404
2018	2951 2658 3048 2880	11537
2019	3141 2577 3013 2798	11529
2020	2811 2586 3182 2821	11400
2021	3100 2700 3150 3050	12000

Cal-endar	EARNINGS PER SHARE <sup>A</sup>	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2017	.47 .45 .97 .42	2.30
2018	.57 .52 .96 .42	2.47
2019	.61 .46 1.01 .56	2.64
2020	.56 .54 1.14 .56	2.80
2021	.65 .55 1.15 .60	2.95

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2017	.34 .36 .36 .36	1.42
2018	.36 .38 .38 .38	1.50
2019	.38 .405 .405 .405	1.60
2020	.405 .43 .43 .43	1.70

(A) Diluted EPS. Excl. nonrecurring gain (losses): '10, 5c; '15, (16c); '17, (5c); gains (losses) on discontinued ops.: '04, (30c); '05, 3c; '06, 1c; '09, (1c); '10, 1c. '17 EPS don't sum due to rounding. Next earnings report due late Jan. (B) Div'ds historically paid Mid-Jan., Apr., July, and Oct. (C) Div'd reinvestment plan available. (D) Incl. intangibles. In '19: \$5.60/sh. (E) In mill. (F) Rate base: Varies. Rate allowed on com. eq. (blended): 9.6%; earned on avg. com. eq., '19: 10.8%. Regulatory Climate: Average.

**Company's Financial Strength** A+  
**Stock's Price Stability** 95  
**Price Growth Persistence** 65  
**Earnings Predictability** 100

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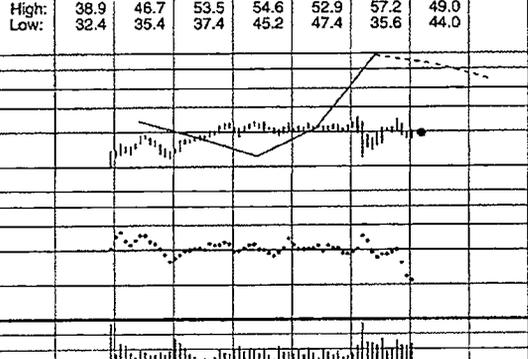
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# AVANGRID, INC. NYSE-AGR

RECENT PRICE **47.36** P/E RATIO **21.9** (Trailing: 23.0 Median: NMF) RELATIVE P/E RATIO **1.07** DIV'D YLD **3.7%** VALUE LINE

**TIMELINESS** 2 Raised 1/23/21  
**SAFETY** 2 Raised 2/17/17  
**TECHNICAL** 5 Lowered 2/5/21  
**BETA** .85 (1.00 = Market)  
**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$33-\$75 \$54 (15%)

**LEGENDS**  
 0.60 x Dividends p sh  
 divided by Interest Rate  
 Relative Price Strength  
 Options: Yes  
 Shaded area indicates recession



Target Price	Range
2024	120
2025	100
2026	80
	64
	48
	32
	24
	20
	16
	12
	8

**2024-26 PROJECTIONS**  
 Price Gain Ann'l Total  
 High 55 (+15%) 8%  
 Low 40 (-15%) Nil

**Institutional Decisions**  
 10/20/20 20/20/20 30/20/20  
 to Buy 123 118 140  
 to Sell 136 141 121  
 Hld's(000) 45979 42981 42736  
 Percent 9  
 shares 6  
 traded 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues per sh	--	--	--	--	14.14	19.48	19.30	20.96	20.51	20.25	21.05	21.70
"Cash Flow" per sh	--	--	--	--	3.44	4.74	4.49	4.89	5.50	5.25	5.65	5.95
Earnings per sh <sup>A</sup>	--	--	--	--	1.05	1.98	1.67	1.92	2.26	1.90	2.15	2.25
Div'd Decl'd per sh <sup>B</sup>	--	--	--	--	--	1.73	1.73	1.74	1.76	1.76	1.76	1.76
Cap'l Spending per sh	--	--	--	--	3.50	5.52	7.82	5.78	8.87	10.05	10.35	10.70
Book Value per sh <sup>C</sup>	--	--	--	--	48.74	48.90	48.79	48.88	49.31	49.35	49.75	50.25
Common Shs Outst'g <sup>D</sup>	--	--	--	--	308.86	308.99	309.01	309.01	309.01	309.00	309.00	309.00
Avg Ann'l P/E Ratio	--	--	--	--	33.5	20.5	27.3	26.1	22.1	25.1	25.1	25.1
Relative P/E Ratio	--	--	--	--	1.69	1.08	1.37	1.41	1.18	1.30	1.30	1.30
Avg Ann'l Div'd Yield	--	--	--	--	--	4.3%	3.8%	3.5%	3.5%	3.7%	3.7%	3.7%

**AVANGRID, Inc.** was formed through a merger between Iberdrola USA, Inc. and UIL Holdings Corporation in December of 2015. Iberdrola S.A., a worldwide leader in the energy industry, owns 81.5% of AVANGRID. The predecessor company was founded in 1852 and is headquartered in New Gloucester, Maine. It was incorporated in 1997 in New York under the name NGE Resources, Inc. AVANGRID began trading on the NYSE on December 17, 2015.

**CAPITAL STRUCTURE** as of 9/30/20  
 Total Debt \$8896 mill. Due in 5 Yrs \$4323 mill.  
 LT Debt \$7081 mill. LT Interest \$272 mill.  
 Incl. \$63 mill. capitalized leases.  
 (LT interest earned: 3.3x)  
 Leases, Uncapitalized Annual rentals \$14 mill.

Pension Assets-12/19 \$2848 mill.  
 Obl'g \$3669 mill.

Pfd Stock None

Common Stock 309,009,817 shs.  
 as of 10/29/20  
**MARKET CAP: \$15 billion (Large Cap)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues (\$mill)	--	--	--	4594.0	4367.0	6018.0	5963.0	6478.0	6338.0	6250	6500	6700
Net Profit (\$mill)	--	--	--	424.0	267.0	611.0	516.0	595.0	700.0	585	665	700
Income Tax Rate	--	--	--	39.9%	11.3%	37.4%	32.4%	22.1%	17.5%	5.0%	7.0%	7.0%
AFUDC % to Net Profit	--	--	--	6.8%	12.7%	7.5%	12.4%	9.4%	14.4%	17.0%	18.0%	17.0%
Long-Term Debt Ratio	--	--	--	16.8%	23.1%	23.0%	25.6%	26.2%	30.6%	34.0%	36.5%	38.5%
Common Equity Ratio	--	--	--	83.2%	76.9%	77.0%	74.4%	73.8%	69.4%	66.0%	63.5%	61.5%
Total Capital (\$mill)	--	--	--	14956	19583	19619	20273	20472	21953	23050	24175	25275
Net Plant (\$mill)	--	--	--	17099	20711	21548	22669	23459	25218	27275	29400	31550
Return on Total Cap'l	--	--	--	3.7%	2.1%	3.8%	3.1%	3.5%	3.8%	3.0%	3.5%	3.5%
Return on Shr. Equity	--	--	--	3.4%	1.8%	4.0%	3.4%	3.9%	4.6%	3.5%	4.5%	4.5%
Return on Com Equity <sup>E</sup>	--	--	--	3.4%	1.8%	4.0%	3.4%	3.9%	4.6%	3.5%	4.5%	4.5%
Retained to Com Eq	--	--	--	3.4%	1.8%	1.4%	NMF	.4%	1.0%	NH	1.0%	1.0%
All Div'ds to Net Prof	--	--	--	--	--	66%	104%	90%	78%	98%	82%	78%

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (kWh)	NA	NA	NA
Avg Indust. Use (MWH)	NA	NA	NA
Avg Indust. Revs. per kWh (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+6	+5	+8

**BUSINESS:** AVANGRID, Inc. (formerly Iberdrola USA, Inc.), is a diversified energy and utility company that serves 2.3 million electric customers in New York, Connecticut, and Maine and 1 million gas customers in New York, Connecticut, Massachusetts & Maine. Has a nonregulated generating subsidiary focused on wind power, with 7.2 gigawatts of capacity. Revenue breakdown by customer

class not available. Generating sources not available. Fuel costs: 24% of revenues. '19 reported depr. rate (utility): 2.9%. Iberdrola owns 81.5% of stock. Has 6,600 employees. Chairman: José Ignacio Sanchez Galan. CEO: Dennis V. Arriola. Deputy CEO & President: Robert Kump. Inc.: NY. Address: 180 Marsh Hill Road, Orange, CT 06477. Tel.: 207-629-1200. Web: www.avangrid.com.

Fixed Charge Cov. (%)	333	343	278
<b>ANNUAL RATES</b> Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 to '24-'26			
of change (per sh)			
Revenues	--	--	3.0%
"Cash Flow"	--	--	6.0%
Earnings	--	--	6.0%
Dividends	--	--	1.5%
Book Value	--	--	1.0%

**AVANGRID is acquiring PNM Resources.** The company has agreed to pay \$4.3 billion in cash for the parent of electric utilities in New Mexico and Texas, which serve 790,000 customers. The transaction requires the approval of the regulatory commissions in these two states, plus that of the Federal Regulatory Energy Commission. PNM Resources' stockholders were scheduled to vote on February 12th, the date of this report. The companies expect the transaction to be completed in the fourth quarter.

low end the company's guidance of \$2.15-\$2.35 a share because we include some expenses, such as merger-related and coronavirus-related costs, that the company is excluding. Note that our figures will exclude PNM Resources until the deal is completed.

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	1865	1402	1546	1665	6478.0
2019	1842	1400	1487	1609	6338.0
2020	1782	1392	1470	1606	6250
2021	1900	1400	1550	1650	6500
2022	1950	1450	1600	1700	6700

**The addition of PNM Resources should be accretive to earnings in 2022.** IBERDROLA has issued a funding commitment for up to the full amount of the deal, and would retain its 81.5% stake in AVANGRID after the deal is completed. Funding would be \$3.6 billion equity, \$700 million debt. The company is paying 22 times estimated 2021 earnings for PNM Resources. A drawback is that AVANGRID, whose utilities operate in difficult regulatory climates, would add a subpar regulatory climate in New Mexico.

**Central Maine Power has begun construction of a transmission line to Canada.** The \$950 million project is expected to begin commercial operation in 2023. The utility will book the Allowance for Funds Used During Construction, a noncash credit to earnings, which will help AVANGRID's earning power in 2020 and 2021.

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	.79	.34	.40	.38	1.92
2019	.70	.36	.48	.72	2.25
2020	.78	.28	.28	.56	1.90
2021	.75	.35	.50	.55	2.15
2022	.80	.35	.50	.60	2.25

**Our earnings estimates require an explanation.** Our 2021 estimate is at the

**AVANGRID is adding offshore wind.** Through joint ventures, two projects are scheduled to begin operating in 2024 and 2025. Investors should note that offshore wind entails significant construction risk.

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.432	.432	.432	.432	1.73
2018	.432	.432	.432	.44	1.74
2019	.44	.44	.44	.44	1.76
2020	.44	.44	.44	.44	1.76
2021	.44	.44	.44	.44	1.76

**The dividend yield of this timely stock is only about average for a utility.** There is a lack of near-term dividend growth potential (a hike is unlikely until 2023, at the earliest). Total return potential to 2024-2026 is low.

**Paul E. Debbas, CFA** February 12, 2021

(A) Diluted EPS. Excl. nonrecurring gain (loss): '16, 6¢; '17, 44¢. '18 EPS don't sum due to rounding. Next earnings report due late Feb. (B) Div'ds paid in early Jan., April, July, and Oct. (C) Dividend reinvestment plan available. (D) In intangibles. In '19: \$6.0 bill., \$19.42/sh. (E) In millions. (F) Rate base: net original cost. Rate allowed on com. eq. in NY in '16: 9.0%; in CT in '17: 9.1% elec.; in CT in '19: 9.3% gas; in ME in '20: 8.25%; earned on avg. common eq., '19: 4.6%. Regulatory Climate: Below Average.

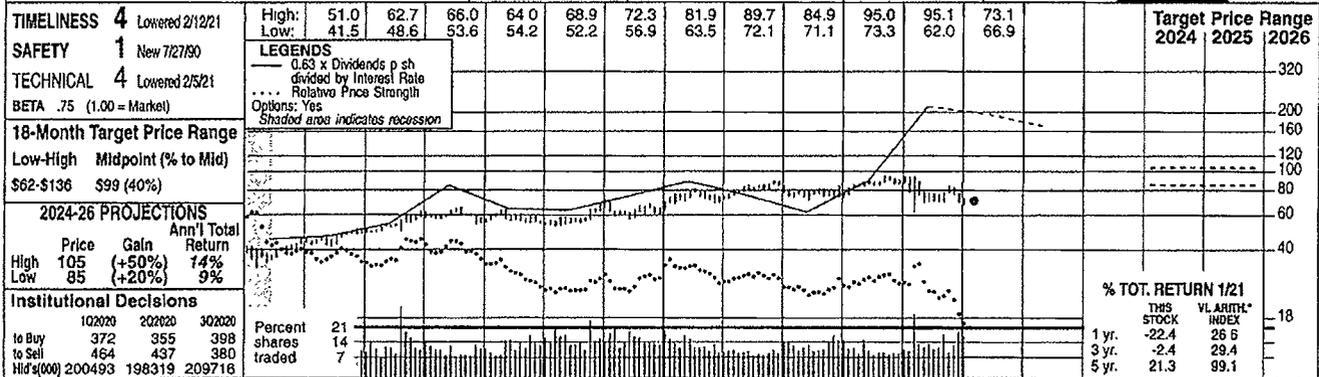
Company's Financial Strength **B++**  
 Stock's Price Stability **85**  
 Price Growth Persistence **85**  
 Earnings Predictability **65**

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# CON. EDISON NYSE-ED

RECENT PRICE **70.75** P/E RATIO **16.9** (Trailing: 17.5 Median: 16.0) RELATIVE P/E RATIO **0.82** DIV'D YLD **4.4%** VALUE LINE



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	VALUE LINE PUB. LLC	24-26
47.66	47.14	48.23	49.62	46.38	45.69	44.17	41.62	42.27	44.11	42.85	39.59	38.82	38.43	37.76	35.70	35.80	36.10	Revenues per sh	38.50
5.27	5.28	5.77	5.99	5.86	6.24	6.61	7.15	7.45	7.30	7.93	7.89	8.41	8.92	9.09	9.50	10.05	10.40	"Cash Flow" per sh	11.75
2.99	2.95	3.48	3.36	3.14	3.47	3.57	3.86	3.93	3.62	4.05	3.94	4.10	4.55	4.08	3.90	4.25	4.45	Earnings per sh A	5.00
2.28	2.30	2.32	2.34	2.36	2.38	2.40	2.42	2.46	2.52	2.60	2.68	2.76	2.86	2.96	3.06	3.10	3.20	Div'd Decl'd per sh B	3.50
6.59	7.17	7.09	8.50	7.80	6.96	6.72	7.06	8.67	8.26	10.42	12.07	11.11	10.89	10.47	11.50	11.20	10.55	Cap'l Spending per sh	11.00
29.80	31.09	32.58	35.43	36.46	37.93	39.05	40.53	41.81	42.94	44.55	46.88	49.74	52.11	54.12	55.45	57.15	58.75	Book Value per sh C	63.75
245.29	257.46	272.02	273.72	281.12	291.62	292.89	292.87	292.87	292.88	293.00	305.00	310.00	321.00	333.00	343.00	352.00	360.00	Common Shs Outst'g D	370.00
15.1	15.5	13.8	12.3	12.5	13.3	15.1	15.4	14.7	15.9	15.6	18.8	19.8	17.1	21.1	20.3	20.3	20.3	Avg Ann'l P/E Ratio	19.0
.80	.84	.73	.74	.83	.85	.95	.98	.89	.84	.79	.99	1.00	.92	1.12	1.05	1.05	1.05	Relative P/E Ratio	1.05
5.0%	5.0%	4.8%	5.7%	6.0%	5.2%	4.5%	4.1%	4.3%	4.4%	4.1%	3.6%	3.4%	3.7%	3.4%	3.9%	3.9%	3.9%	Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 9/30/20		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Debt \$23000 mill. Due in 5 Yrs \$6380 mill.	LT Debt \$19206 mill. LT Interest \$855 mill. (LT Interest earned: 2.8x)	12938	12188	12381	12919	12554	12075	12033	12337	12574	12250	12600	13000	13000	14250
Leases, Uncapitalized Annual rentals \$78 mill.		1062.0	1141.0	1157.0	1066.0	1193.0	1189.0	1266.0	1424.0	1343.0	1320	1490	1590	1875	1875
Pension Assets-12/19 \$15608 mill. Pfd Stock None	Obilig \$16792 mill.	36.1%	34.5%	31.8%	34.0%	33.6%	35.3%	36.6%	20.1%	17.1%	17.0%	17.0%	17.0%	17.0%	17.0%
Common Stock 334,858,832 shs. as of 10/31/20	MARKET CAP: \$24 billion (Large Cap)	1.6%	.5%	.5%	.3%	7.7%	1.3%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
ELECTRIC OPERATING STATISTICS		46.5%	45.9%	46.1%	48.0%	47.9%	50.8%	48.9%	51.1%	50.7%	49.5%	51.0%	50.5%	51.0%	50.5%
ANNUAL RATES		52.5%	54.1%	53.9%	52.0%	52.1%	49.2%	51.1%	48.9%	49.3%	50.5%	49.0%	49.5%	49.0%	49.0%
QUARTERLY REVENUES (\$ mill.)		21794	21933	22735	24207	25058	29033	30149	34221	36549	37575	41250	42600	48200	48200
EARNINGS PER SHARE A		25093	26939	28436	29827	32209	35216	37600	41749	43889	45900	47775	49425	54300	54300
QUARTERLY DIVIDENDS PAID B		6.2%	6.5%	6.4%	5.6%	6.0%	5.3%	5.4%	5.3%	4.9%	4.5%	5.0%	5.0%	5.0%	5.0%
QUARTERLY DIVIDENDS PAID C		9.1%	9.6%	9.4%	8.5%	9.1%	8.3%	8.2%	8.5%	7.5%	7.0%	7.5%	7.5%	7.5%	7.5%
QUARTERLY DIVIDENDS PAID D		9.2%	9.6%	9.4%	8.5%	9.1%	8.3%	8.2%	8.5%	7.5%	7.0%	7.5%	7.5%	7.5%	7.5%
QUARTERLY DIVIDENDS PAID E		3.1%	3.6%	3.5%	2.6%	3.5%	3.0%	3.0%	3.5%	2.3%	1.5%	2.0%	2.0%	2.0%	2.5%
QUARTERLY DIVIDENDS PAID F		66%	62%	62%	69%	61%	64%	63%	59%	69%	76%	70%	69%	69%	67%

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	3364	2696	3328	2949	12337
2019	3514	2744	3365	2951	12574
2020	3234	2719	3333	2964	12250
2021	3450	2750	3400	3000	12600
2022	3550	2850	3500	3100	13000

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	1.37	.60	1.52	1.06	4.55
2019	1.31	.46	1.42	.88	4.08
2020	1.13	.57	1.47	.73	3.90
2021	1.35	.55	1.55	.80	4.25
2022	1.40	.60	1.60	.85	4.45

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.69	.69	.69	.69	2.76
2018	.715	.715	.715	.715	2.86
2019	.74	.74	.74	.74	2.96
2020	.765	.765	.765	.765	3.06
2021	.775	.775	.775	.775	3.06

**Business:** Consolidated Edison, Inc. is a holding company for Consolidated Edison Company of New York, Inc. (CECONY), which sells electricity, gas, and steam in most of New York City and Westchester County. Also owns Orange and Rockland Utilities (O&R), which operates in New York and New Jersey. Has 3.7 million electric, 1.2 million gas customers. Pursues competitive energy opportunities through three wholly owned subsidiaries. Entered into midstream gas joint venture 6/16. Purchases most of its power. Fuel costs: 21% of revenues. '19 reported depreciation rates: 3.0%-3.2%. Has 14,900 employees. Chairman: John McAvoy. President & CEO: Timothy Cawley, Inc. NY. Address: 4 Irving Place, New York, NY 10003. Tel.: 212-460-4600. Internet: www.conedison.com.

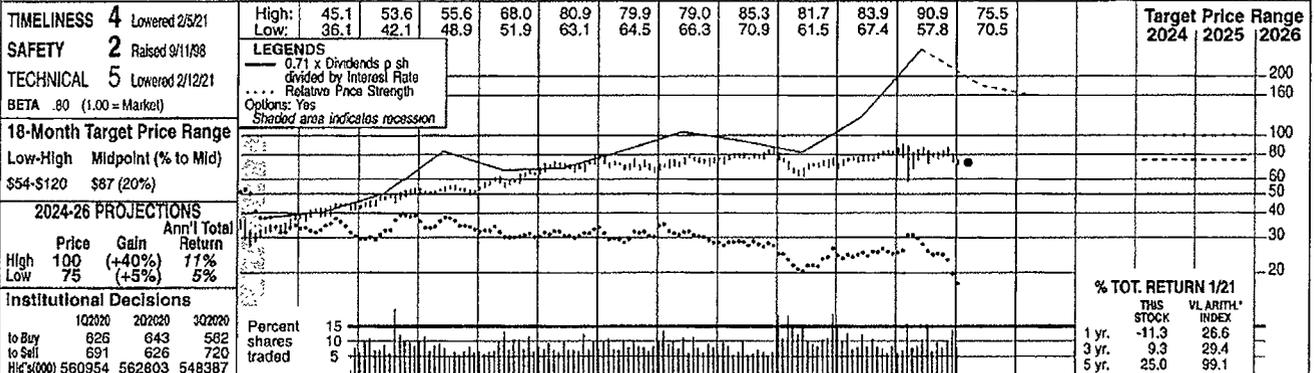
**We estimate that Consolidated Edison's earnings will advance in 2021 and 2022.** The company's primary utility subsidiary, Consolidated Edison Company of New York, will benefit from the second and third phases of electric and gas rate increases this year and next. The comparison in 2021 will be made easier by mark-to-market accounting losses and charges associated with a renewable-energy acquisition, which lowered share profits by \$0.26 in the first three quarters last year. ConEd's renewable-energy subsidiary should boost its income as projects now under development are completed. Note that bad-debt expense associated with the weak economy and coronavirus-related costs have hurt earnings modestly, but the slump in kilowatt-hour sales is not a factor because the utilities operate under a regulatory mechanism that decouples revenues and volume. However... **There is a source of uncertainty.** The New York State Public Service Commission has issued a show-cause order to the company requesting that it show why its utilities should not be fined for its performance for outages in 2019 and 2020.

ConEd's utilities might be fined as much as \$146 million. We have not assumed any fine in our 2021 estimate. When this matter will be resolved is undetermined. **There is the potential for sharp increases in capital spending.** The company estimates that steps needed to address climate change would amount to \$1.8 billion-\$5.2 billion of capital spending. Presumably, any such spending would be placed in the rate base through general rate applications. **The board of directors raised the dividend in the current quarter.** The increase was one cent a share (1.3%) quarterly. The hike was well below those in recent years because ConEd expects to incur coronavirus-related costs (most notably bad-debt expense) in 2021. The company's goal is a payout ratio in a range of 60%-70%. **The dividend yield is above the utility average.** The stock is untimely, but stands out for its 18-month prospects, and has appeal for its 3- to 5-year total return potential. The deceleration in the dividend growth rate is a drawback, however. *Paul E. Debbas, CFA February 12, 2021*

(A) Diluted EPS. Excl. nonrec. gains (losses): '13, (32c); '14, 9c; '16, 15c; '17, 84c; '18, (13c); gain on discontinued operations: '08, \$1.01. '19 EPS don't sum due to rounding. (B) Div'ds historically paid in mid-Mar., June, Sept., and Dec. = Div'd reinvestment plan avail. (C) Incl. intangibles. In '19: \$21.01/sh. (D) In cl. Regulatory Climate: Below Average. (E) Rate base: net orig. cost. Rate allowed on com. eq. for CECONY in '20: 8.8%; O&R in '19: 9.0%; earned on avg. com. eq., '19: 8.2%. Company's Financial Strength A+ Stock's Price Stability 85 Price Growth Persistence 40 Earnings Predictability 100

# DOMINION ENERGY NYSE:D

RECENT PRICE **72.68** P/E RATIO **19.6** (Trailing: 17.7; Median: 21.0) RELATIVE P/E RATIO **0.96** DIV'D YLD **3.5%** VALUE LINE



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	VALUE LINE PUB. LLC	24-26
25.96	23.61	27.17	27.93	25.24	26.17	25.24	22.73	22.56	21.25	19.59	18.70	19.53	19.63	19.78	17.75	18.30	18.30	Revenues per sh	19.75
3.70	4.91	5.08	5.07	4.82	5.11	5.04	5.24	5.47	5.71	5.98	6.33	6.90	6.48	5.73	7.00	7.65	7.75	"Cash Flow" per sh	8.75
1.50	2.40	2.13	3.04	2.64	2.89	2.76	2.75	3.09	3.05	3.20	3.44	3.53	3.25	2.19	3.20	3.85	4.10	Earnings per sh A	4.75
1.34	1.38	1.46	1.58	1.75	1.83	1.97	2.11	2.25	2.40	2.59	2.80	3.04	3.34	3.67	3.45	2.52	2.66	Div'd Decl'd per sh B=C	3.20
4.83	5.81	6.89	6.09	6.40	5.89	6.41	7.20	7.06	9.13	9.35	9.69	8.54	6.25	5.94	9.40	8.70	8.40	Cap'l Spending per sh	8.25
14.96	18.50	16.31	17.28	18.66	20.66	20.09	18.34	20.02	19.74	21.24	23.26	26.59	29.53	35.33	29.15	30.75	33.60	Book Value per sh C	39.25
695.00	698.00	576.80	583.20	599.40	580.80	569.70	576.10	581.50	585.30	596.30	627.80	644.60	680.90	838.00	800.00	804.00	831.00	Common Shs Outst'g D	862.00
24.9	16.0	20.6	13.8	12.7	14.3	17.3	18.9	19.2	23.0	22.1	21.3	22.2	21.8	35.2	25.0	25.0	25.0	Avg Ann'l P/E Ratio	18.0
1.33	.86	1.09	.83	.85	.91	1.09	1.20	1.08	1.21	1.11	1.12	1.12	1.18	1.88	1.30	1.30	1.30	Relative P/E Ratio	1.00
3.6%	3.6%	3.3%	3.8%	5.2%	4.4%	4.1%	4.1%	3.8%	3.4%	3.7%	3.8%	3.9%	4.7%	4.8%	4.3%	4.3%	4.3%	Avg Ann'l Div'd Yield	3.7%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$38398 mill. Due in 5 Yrs \$16834 mill.  
 LT Debt \$33145 mill. LT Interest \$1312 mill.  
 (LT Interest earned: 2.9x)  
 Leases, Uncapitalized Annual rentals \$72 mill.  
 Pension Assets-12/19 \$9631 mill.  
 Pfd Stock \$2387 mill. Pfd Divd \$65 mill.  
 2 mill. shs. 1.75%, cum., convert. In 2022. 800,000 shs. 4.65%, cum., redeemable not before 12/15/24.  
 Common Stock 815,819,095 shs.  
 as of 10/16/20  
**MARKET CAP: \$59 billion (Large Cap)**

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (RWH)	NA	NA	NA
Avg Indust. Use (MWH)	NA	NA	NA
Avg Indust. Revs. per MWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA

**ANNUAL RATES**

	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '24-'26
Revenues	-3.0%	-2.5%	N/A
"Cash Flow"	2.5%	3.0%	4.5%
Earnings	1.5%	-	7.0%
Dividends	7.5%	8.0%	5.5%
Book Value	6.0%	9.5%	3.5%

**QUARTERLY REVENUES (\$ mill)**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	3466	3088	3451	3361	13366
2019	3858	3970	4269	4475	16572
2020		7044*	3607	3549	14200
2021	3750	3650	3650	3650	14700
2022	3950	3750	3750	3750	15200

**EARNINGS PER SHARE A**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.77	.82	1.22	.44	3.25
2019	0.37	.13	1.23	1.22	2.19
2020		1.10*	1.29	.81	3.20
2021	1.00	.85	1.05	.95	3.85
2022	1.10	.90	1.10	1.00	4.10

**QUARTERLY DIVIDENDS PAID B=C**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.755	.755	.755	.77	3.04
2018	.835	.835	.835	.835	3.34
2019	.9175	.9175	.9175	.9175	3.67
2020	.94	.94	.94	.63	3.45
2021					

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
14379	13093	13120	12436	11683	11737	12586	13366	16572	14200	14700	15200	16750	16750	16750	16750	16750	16750	Revenues (\$mil)	16750
1603.0	1594.0	1806.0	1793.0	1899.0	2123.0	2244.0	2130.0	1838.0	2695	3115	3420	2695	4045	4045	4045	4045	4045	Net Profit (\$mil)	4045
34.6%	36.2%	33.0%	28.1%	32.0%	22.8%	27.2%	17.7%	21.8%	13.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	Income Tax Rate	21.0%
5.3%	5.7%	3.7%	4.5%	5.3%	7.5%	10.5%	6.3%	4.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	AFUDC % to Net Profit	2.0%
59.8%	60.9%	61.9%	65.4%	65.1%	67.4%	64.4%	60.8%	51.4%	55.0%	54.0%	54.0%	54.0%	54.0%	54.0%	54.0%	54.0%	54.0%	Long-Term Debt Ratio	52.5%
39.3%	38.2%	37.3%	34.6%	34.9%	32.6%	35.6%	39.2%	45.0%	40.5%	42.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	Common Equity Ratio	46.5%
29097	27676	31229	33360	36280	44836	48090	51251	65818	57475	60375	62500	62500	62500	62500	62500	62500	62500	Total Capital (\$mil)	71800
29670	30773	32628	36270	41554	49364	53758	54560	69082	58125	62100	66000	66000	66000	66000	66000	66000	66000	Net Plant (\$mil)	77200
7.0%	7.5%	7.3%	6.6%	6.5%	6.0%	5.9%	5.5%	4.0%	6.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	Return on Total Cap'l	6.5%
13.7%	14.7%	15.2%	15.5%	15.0%	14.5%	13.1%	10.6%	5.7%	9.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	Return on Shr. Equity	12.0%
13.9%	14.9%	15.4%	15.4%	15.0%	14.5%	13.1%	10.6%	6.2%	10.5%	12.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	Return on Com Equity E	12.0%
4.0%	3.5%	4.2%	3.3%	2.9%	2.7%	1.8%	NMF	NMF	NMF	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	Retained to Com Eq	4.0%
71%	77%	73%	79%	81%	81%	86%	103%	NMF	NMF	67%	66%	66%	66%	66%	66%	66%	66%	All Div's to Net Prof	69%

**BUSINESS:** Dominion Energy, Inc. (formerly Dominion Resources) is a holding company for Virginia Power, North Carolina Power, & South Carolina E&G, which serve 3.9 mill. customers in VA, SC, & NC. Serves 3.0 mill. gas customers in OH, WV, UT, SC, & NC. Other ops. incl. independent power production. Acq'd Questar 9/16; SCANA 1/19. Elec. rev. breakdown: residential, 46%; commercial, 32%; industrial, 7%; other, 15%. Generating sources: gas, 41%; nuclear, 29%; coal, 8%; other, 5%; purchased, 17%. Fuel costs: 28% of revs. '19 reported deprec. rates: 2.4%-4.6%. Has 19,100 empis. Chairman, President & CEO: Thomas F. Farrell II, Inc.: VA. Address: 120 Tredegar St., P.O. Box 26532, Richmond, VA 23261-6532. Tel.: 804-819-2000. Internet: www.dominionenergy.com.

**Rate cases are pending in South Carolina and West Virginia.** In South Carolina, the utility filed for an electric increase of \$178 million, based on a 10.25% return on equity (its currently allowed ROE). New rates are expected to take effect soon. The utility's ROE is well below its allowed ROE. In West Virginia, the company is seeking a gas hike of \$28 million, based on a 10.25% ROE (versus the currently allowed 9.45%). New tariffs are expected to take effect in July. Rate relief is one source of Dominion Energy's likely profit growth in 2021 and 2022.

**Domination Energy is planning to add offshore wind.** The project would provide 2,640 megawatts of capacity at a cost of \$8 billion. Construction is expected to begin in 2024, with completion in 2026. Investors should note that offshore wind entails significant construction risk.

**The untimely stock has a modest yield for a utility.** We project respectable dividend growth through mid-decade, but not enough to restore the payout to its level before the cut last year. Total return potential is good for the 18-month span, but unspectacular for the 2024-2026 period.

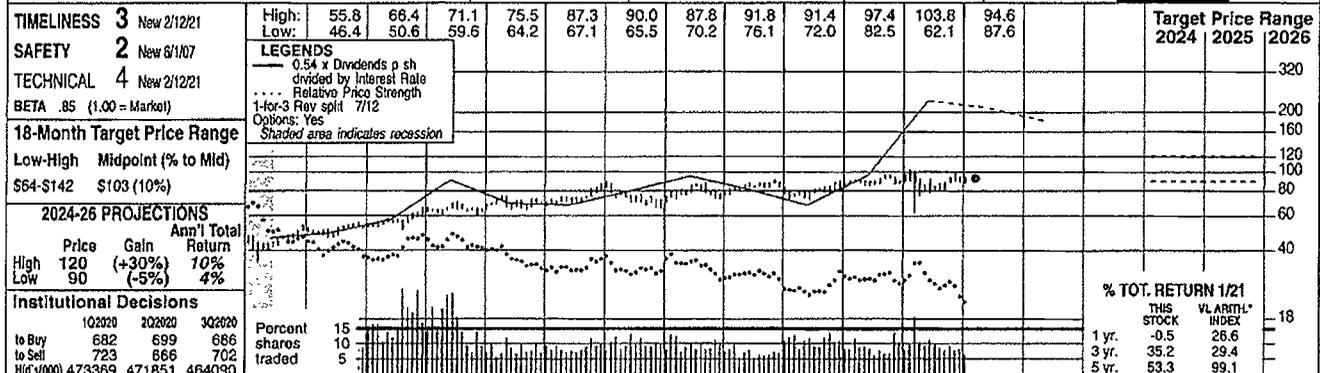
**Domination Energy began 2021 as a much-different company than it was a year earlier.** The most significant change was the company's exit from most of its midstream gas operations (except for a 50% interest in the Cove Point liquefied natural gas export facility), which is treated as discontinued. Dominion Energy received \$4 billion in cash, and the buyer assumed \$5.7 billion of debt. The board of directors cut the dividend 33%, effective with the December payment. The company was planning to provide its expectations for 2021 around the time this report came out in print. We think share earnings will advance significantly this year, with another healthy gain in 2022.

**The company used most of the cash to repurchase stock.** This amounted to \$3.1 billion, most of which occurred in late 2020. Dominion Energy expects to issue \$300 million in 2021 through the dividend reinvestment plan, but average shares outstanding will likely decline because most of the buyback in 2020 occurred late in the year. In 2022, equity units will be converted to common stock.

(A) Dil. egs. Excl. nonrec. gains (losses): '07, \$1.67; '08, 1.26; '09, (4.76); '10, \$2.18; '11, (7c); '12, (\$1.70); '14, (76c); '17, \$1.19; '18, 43c; '19, (58c); '20, (67c); losses from disc. ops.: '06, 26c; '10, 26c; '12, 4c; '13, 16c; '20, \$2.21. Next earnings report due late Apr. (B) Div's cost, adj. Rate all'd on com. eq. in '11: 10.9%; paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. in '18 (Clim.: Avg. (F) 6-mo. figs. pending restatement. Company's Financial Strength 6++ Stock's Price Stability 90 Price Growth Persistence 50 Earnings Predictability 45 To subscribe call 1-800-VALUELINE

# DUKE ENERGY NYSE-DUK

RECENT PRICE **93.16** P/E RATIO **22.5** (Trailing: 18.8 Median: 18.0) RELATIVE P/E RATIO **1.10** DIV'D YLD **4.2%** VALUE LINE



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	VALUE LINE PUB. LLC 24-26	
25.32	30.24	31.15	29.18	32.22	32.63	27.88	34.84	33.84	34.10	32.49	33.66	33.73	34.21	31.40	32.40	33.30	33.30	Revenues per sh	36.50
7.86	8.11	7.34	7.58	8.49	8.68	6.80	8.56	9.11	9.40	9.20	10.01	10.49	12.13	11.05	12.70	13.35	13.35	"Cash Flow" per sh	15.50
2.76	3.60	3.03	3.39	4.02	4.14	3.71	3.98	4.13	4.10	4.22	4.13	5.07	4.65	5.15	4.65	5.15	5.15	Earnings per sh A	6.25
	2.58	2.70	2.82	2.91	2.97	3.03	3.09	3.15	3.24	3.36	3.49	3.64	3.75	3.82	3.90	3.98	3.98	Div'd Decl'd per sh B	4.25
8.07	7.43	10.35	9.85	10.84	9.80	7.81	7.83	7.62	9.83	11.29	11.50	12.91	15.17	15.50	14.80	14.60	14.60	Cap'l Spending per sh	14.00
62.30	50.40	49.61	49.85	50.84	51.14	58.04	58.54	57.81	57.74	58.62	59.63	60.27	61.20	60.65	61.95	61.95	61.95	Book Value per sh C	68.75
418.96	420.62	423.96	436.29	442.96	445.29	704.00	706.00	707.00	688.00	700.00	700.00	727.00	733.00	764.00	764.00	764.00	764.00	Common Shs Outst'g D	764.00
	16.1	17.3	13.3	12.7	13.8	17.5	17.4	17.9	18.2	21.3	19.9	19.4	17.7	21.7	21.7	21.7	21.7	Avg Ann'l P/E Ratio	17.0
	.85	1.04	.89	.81	.87	1.11	.98	.94	.92	1.12	1.00	1.05	.94	1.10	1.10	1.10	1.10	Relative P/E Ratio	.95
	4.4%	5.2%	6.2%	5.7%	5.2%	4.7%	4.4%	4.3%	4.3%	4.2%	4.2%	4.5%	4.2%	4.4%	4.4%	4.4%	4.4%	Avg Ann'l Div'd Yield	4.0%

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	REVENUES (\$MILL)	27800
14529	19624	24598	23925	23459	22743	23565	24521	25079	24000	24760	25450	27800	27800	27800	27800	27800	27800	Revenues (\$mill)	27800
1839.0	2136.0	2813.0	2934.0	2854.0	2560.0	2963.0	2928.0	3755.0	3080	4065	4255	4880	4880	4880	4880	4880	4880	Net Profit (\$mill)	4880
31.3%	30.2%	32.6%	30.6%	32.2%	31.0%	30.4%	14.2%	12.7%	9.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	Income Tax Rate	12.0%
23.2%	22.3%	8.8%	7.2%	9.2%	11.7%	12.3%	13.0%	7.9%	11.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	AFUDC % to Net Profit	8.0%
45.1%	47.0%	48.0%	47.7%	48.6%	52.6%	54.0%	53.8%	54.0%	53.5%	54.0%	54.5%	54.0%	54.5%	54.0%	54.5%	54.0%	54.5%	Long-Term Debt Ratio	55.0%
54.9%	52.9%	52.0%	52.3%	51.4%	47.4%	46.0%	46.2%	44.1%	44.5%	44.0%	44.0%	44.0%	44.0%	44.0%	44.0%	44.0%	44.0%	Common Equity Ratio	43.5%
41451	77307	79482	78088	77222	86609	90774	94940	101807	103825	106900	110225	121600	121600	121600	121600	121600	121600	Total Capital (\$mill)	121600
42661	68558	69490	70046	75709	82520	86391	91694	102127	108475	114050	119175	132200	132200	132200	132200	132200	132200	Net Plant (\$mill)	132200
5.6%	3.6%	4.6%	4.8%	4.8%	4.0%	4.3%	4.2%	4.8%	4.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	Return on Total Cap'l	5.0%
8.1%	5.2%	6.8%	7.2%	7.2%	6.2%	7.1%	6.7%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	Return on Shr. Equity	8.5%
8.1%	5.2%	6.8%	7.2%	7.2%	6.2%	7.1%	6.7%	8.3%	8.0%	8.0%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	Return on Com Equity E	8.5%
2.2%	.9%	1.5%	1.7%	1.5%	.6%	1.2%	1.0%	2.4%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	Retained to Com Eq	2.5%
72%	82%	78%	76%	79%	91%	83%	84%	71%	77%	76%	74%	74%	74%	74%	74%	74%	74%	All Div'ds to Net Prof	70%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$64143 mill. Due in 5 Yrs \$21030 mill.  
 LT Debt \$56049 mill. LT Interest \$2186 mill.  
 Incl. \$969 mill. capitalized leases.  
 (LT Interest earned: 2.7x)  
 Leases, Uncapitalized Annual rentals \$268 mill.  
 Pension Assets-12/19 \$8910 mill.  
 Pfd Stock \$1962 mill. Pfd Div'd \$58 mill.  
 40 mill. shs. 5.75% cum. \$25 liq. value, redeemable at \$25.50 prior to 6/15/24; 1 mill. shs. 4.875% cum. \$1000 liq. value.  
 Common Stock 735,958,560 shs. as of 10/31/20  
 MARKET CAP: \$69 billion (Large Cap)

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (KWH)	-2.0	+3.9	-9
Avg. Indust. Use (KWH)	2914	2953	2934
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg)	+1.3	+1.4	+1.5

**ANNUAL RATES**

of change (per sh)	Past 10 Yrs	Past 5 Yrs	Est'd '17-'19 to '24-'26
Revenues	1.0%	1.0%	1.0%
"Cash Flow"	3.5%	6.0%	5.0%
Earnings	3.0%	2.5%	5.0%
Dividends	3.0%	3.0%	2.5%
Book Value	2.0%	1.0%	2.0%

**QUARTERLY REVENUES (\$mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	6135	5643	6628	6115	24521
2019	6163	5873	6940	6103	25079
2020	5949	5421	6721	5909	24000
2021	6200	5650	6850	6050	24750
2022	6350	5800	7100	6200	25450

**EARNINGS PER SHARE A**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	1.17	.71	1.63	.61	4.13
2019	1.24	1.12	1.82	.89	5.07
2020	1.24	1.08	1.74	1.01	4.05
2021	1.25	1.10	1.80	1.00	5.15
2022	1.35	1.15	1.90	1.05	5.45

**QUARTERLY DIVIDENDS PAID B**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.855	.855	.89	.89	3.49
2018	.89	.89	.9275	.9275	3.64
2019	.9275	.9275	.945	.945	3.75
2020	.945	.945	.965	.965	3.82
2021	.965				

**we have reinstated the Timeliness rank of Duke Energy stock.** In November, we suspended the rank due to takeover speculation stemming from a report in *The Wall Street Journal* that NextEra Energy had approached Duke about a deal. This led to a 7% rise in the stock price that day, but since no transaction has emerged, we reinstated the rank.

**Duke has announced an asset sale.** The company agreed to sell a 19.9% stake in its Indiana utility for \$2.05 billion in cash in two phases, in the second quarter of 2021 and by January of 2023. This requires approval of the Federal Energy Regulatory Commission. The proceeds would replace the \$1 billion of equity Duke planned to add in 2021 and 2022 and be used for capital spending. Duke expects its long-term average annual earnings growth rate to rise from 4%-6% to 5%-7%.

**The company reached a settlement regarding the regulatory treatment of coal ash remediation costs.** If this is approved by the North Carolina commission, Duke will write off \$1 billion of these costs, and will earn a return on equity that is 1.5 percentage points below its allowed

residential, 44%; commercial, 28%; industrial, 14%; other, 14%. Generating sources: gas, 29%; nuclear, 29%; coal, 22%; other, 1%; purchased, 19%. Fuel costs: 30% of revs. '19 reported deprec. rate: 3.1%. Has 28,800 employees. Chairman, President & CEO: Lynn J. Good, Inc.: DE. Address: 560 South Tryon St., Charlotte, NC 28202-1803. Tel.: 704-382-3853 Internet: www.duke-energy.com.

ROE for the remainder. The company expects to take a \$1 billion pretax charge against fourth-quarter results, which is included in our earnings presentation. **Profits should return to a more-typical level in 2021 and 2022.** Without this item, we figure Duke would have earned \$5.10 a share last year. In 2021, the company should benefit from rate relief and the absence of the coal ash charge. However, dilution from a \$2.5 billion forward equity sale, which was settled in late 2020, will be a negative factor. Additional rate relief should produce bottom-line growth in 2022. Our figures do not reflect the pending deal with Duke Indiana. **Duke reached a settlement in Florida.** If approved by the regulators, rates will be raised by \$67 million, \$49 million, and \$79 million in 2022, 2023, and 2024, respectively, based on a 9.85% ROE and a 53% common-equity ratio. A ruling is expected in the second quarter. **The stock has an above-average dividend yield for a utility.** However, dividend growth potential through 2024-2026 is half the industry norm.

Paul E. Debbas, CFA February 12, 2021

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	40
Earnings Predictability	95

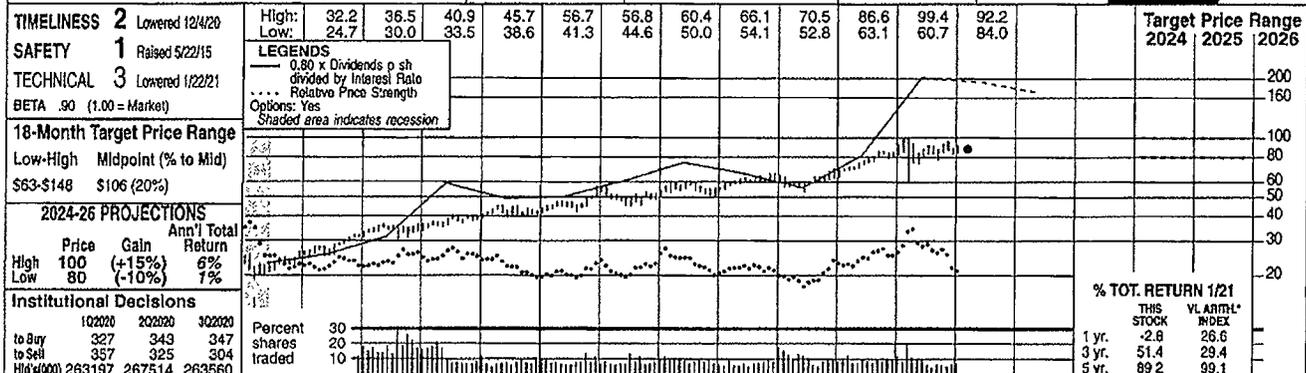
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(A) Dil. EPS. Excl. nonrec. losses: '12, 70¢; '13, 24¢; '14, 67¢; '17, 15¢; '18, 41¢; '20, \$2.21; losses on disc. ops.: '14, 80¢; '16, 60¢; '18 EPS don't sum due to rounding. Next eps. report due early May. (B) Div'ds paid mid-Mar., June, Sept., & Dec. = Div'd reinv. plan avail. (C) Incl. intang. in '19: \$44.37/sh. (D) In coll. (E) Rate base: Net orig. cost.

Rate aff'd on com. eq. in '18 in NC: 9.9%; in '19 in SC: 9.5%; in '20 in FL: 9.5%-11.5%; in '20 in IN: 9.7%; earn. on avg. com. eq., '19: 8.3%. Reg. Clim.: NC, SC, VA, OH, IN Above Avg.

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# EVERSOURCE ENERGY NYSE:ES



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	VALUE LINE PUB. LLC	24-26
41.85	44.64	37.27	37.22	30.97	27.76	25.21	19.98	23.16	24.42	25.08	24.11	24.46	26.66	25.85	25.50	26.80	27.35	Revenues per sh	29.50
5.46	3.69	4.82	6.16	4.96	5.68	4.88	4.03	5.22	4.56	4.94	5.46	5.84	6.64	6.65	6.85	7.50	7.85	"Cash Flow" per sh	9.00
.98	.82	1.59	1.86	1.91	2.10	2.22	1.89	2.49	2.58	2.76	2.96	3.11	3.25	3.45	3.60	3.85	4.05	Earnings per sh A	5.00
.68	.73	.78	.83	.95	1.03	1.10	1.32	1.47	1.57	1.67	1.78	1.90	2.02	2.14	2.27	2.40	2.54	Div'd Decl'd per sh B	3.00
5.89	5.49	7.14	8.06	5.17	5.41	6.08	4.69	4.82	5.06	5.44	6.24	7.41	7.96	8.83	9.00	8.70	8.55	Cap'l Spending per sh	8.25
18.46	18.14	18.65	19.38	20.37	21.60	22.65	29.41	30.49	31.47	32.64	33.80	34.99	36.25	38.29	42.95	44.80	46.75	Book Value per sh C	53.00
131.59	154.23	156.22	155.83	175.62	176.45	177.16	314.05	315.27	316.98	317.19	316.89	316.89	316.89	329.88	345.00	349.00	353.00	Common Shs Outst'g D	365.00
19.8	27.1	18.7	13.7	12.0	13.4	15.4	19.9	16.9	17.9	18.1	18.7	19.5	18.7	22.1	24.0	24.0	24.0	Avg Ann'l P/E Ratio	18.0
1.05	1.46	.99	.82	.80	.85	.97	1.27	.95	.94	.91	.98	.98	1.01	1.10	1.20	1.20	1.20	Relative P/E Ratio	1.00
3.5%	3.3%	2.6%	3.2%	4.2%	3.6%	3.2%	3.5%	3.5%	3.4%	3.3%	3.2%	3.1%	3.3%	2.8%	2.6%	2.6%	2.6%	Avg Ann'l Div'd Yield	3.3%

CAPITAL STRUCTURE as of 9/30/20

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
4465.7	6273.8	7301.2	7741.9	7954.8	7639.1	7752.0	8448.2	8526.5	8800	9350	9650	Revenues (\$mill)	10750				
400.3	533.0	793.7	827.1	886.0	949.8	995.5	1040.5	1121.0	1230	1350	1445	Net Profit (\$mill)	1800				
29.9%	34.0%	35.0%	36.2%	37.9%	36.9%	36.8%	21.7%	19.7%	22.5%	20.0%	20.0%	Income Tax Rate	20.0%				
8.6%	2.3%	1.4%	2.4%	2.9%	3.9%	4.7%	6.1%	6.3%	5.0%	5.0%	5.0%	AFUDC % to Net Profit	4.0%				
53.4%	43.7%	44.3%	45.9%	45.6%	44.8%	51.2%	52.4%	52.8%	59.0%	59.0%	59.0%	Long-Term Debt Ratio	59.0%				
45.3%	55.4%	54.8%	53.2%	53.6%	54.4%	48.2%	46.9%	46.6%	40.5%	40.5%	40.5%	Common Equity Ratio	40.5%				
8856.0	16675	17544	18738	19313	19697	23018	24474	27097	36675	38600	40675	Total Capital (\$mill)	47700				
10403	16605	17576	18647	19892	21351	23617	25610	27585	32275	34200	36025	Net Plant (\$mill)	40900				
5.9%	4.2%	5.5%	5.3%	5.5%	5.8%	5.2%	5.2%	5.1%	4.0%	4.5%	4.5%	Return on Total Cap'l	4.5%				
9.7%	5.7%	8.1%	8.2%	8.4%	8.7%	8.9%	8.9%	8.8%	8.0%	8.5%	8.5%	Return on Shr. Equity	9.0%				
9.8%	5.7%	8.2%	8.2%	8.5%	8.8%	8.9%	9.0%	8.8%	8.0%	8.5%	8.5%	Return on Com Equity E	9.5%				
5.0%	1.6%	3.4%	3.5%	3.4%	3.5%	3.5%	3.4%	3.6%	3.0%	3.0%	3.5%	Retained to Com Eq	3.5%				
50%	72%	59%	58%	61%	60%	61%	62%	60%	63%	62%	62%	All Div's to Net Prof	61%				

**BUSINESS:** Eversource Energy (formerly Northeast Utilities) is the parent of utilities with 3.2 mill. electric, 880,000 gas, 229,000 water customers. Supplies power to most of Connecticut and gas to part of Connecticut; supplies power to 3/4 of New Hampshire's population; supplies power to western Massachusetts and parts of eastern MA & gas to central & eastern MA; supplies water to CT, MA, & NH.

Acq'd NSTAR 4/12; Aquarion 12/17; Columbia Gas 10/20. Electric rev. breakdown: residential, 54%; commercial, 37%; industrial, 5%; other, 4%. Fuel costs: 36% of revs. '19 reported deprec. rate: 3.0%. Has 9,000 employees. Chairman, President & CEO: James J. Judge, Inc.: MA. Address: 300 Cadwell Drive, Springfield, MA 01104. Tel: 413-785-5871. Internet: www.eversource.com.

**raise the dividend this month.** We think the increase will be \$0.13 (5.7%), the same as in 2020. Eversource's goal for yearly dividend growth is 5%-7%.

**The Connecticut regulators are reviewing CL&P's performance following a tropical storm last August.** Draft and final decisions are tentatively scheduled for March and April, respectively. Separately, legislation requires the commission to evaluate performance-based regulation and increases the amount of potential penalties for utilities.

**Eversource is adding offshore wind through a joint venture.** This would add 1,714 megawatts of capacity. The first project (130 mw) would begin operating by year-end 2023. The next two are unlikely to achieve their original in-service dates of year-end 2023 and year-end 2024. This illustrates offshore wind's construction risk.

**This timely stock has a dividend yield that is about a percentage point below the utility average.** The stock outperformed most utility issues in 2020, so its valuation is high. Total return potential to 2024-2026 is low.

*Paul E. Debbas, CFA February 12, 2021*

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 to '24-'26

of change (per sh)	10 Yrs.	5 Yrs.	Est'd '17-'19 to '24-'26
Revenues	-3.0%	2.5%	2.0%
"Cash Flow"	2.0%	6.5%	5.0%
Earnings	6.0%	7.0%	6.5%
Dividends	9.0%	7.0%	6.0%
Book Value	6.5%	3.5%	5.5%

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	2288	1853	2271	2034	8448.1
2019	2415	1884	2175	2050	8526.5
2020	2373	1953	2343	2129	8800
2021	2650	2100	2350	2150	9350
2022	2800	2200	2500	2250	9650

**EARNINGS PER SHARE A**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.85	.76	.91	.73	3.25
2019	.97	.74	.98	.76	3.45
2020	1.01	.75	1.01	.83	3.60
2021	1.08	.85	1.02	.90	3.85
2022	1.15	.87	1.10	.93	4.05

**QUARTERLY DIVIDENDS PAID B**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.475	.475	.475	.475	1.90
2018	.505	.505	.505	.505	2.02
2019	.535	.535	.535	.535	2.14
2020	.5675	.5675	.5675	.5675	2.27

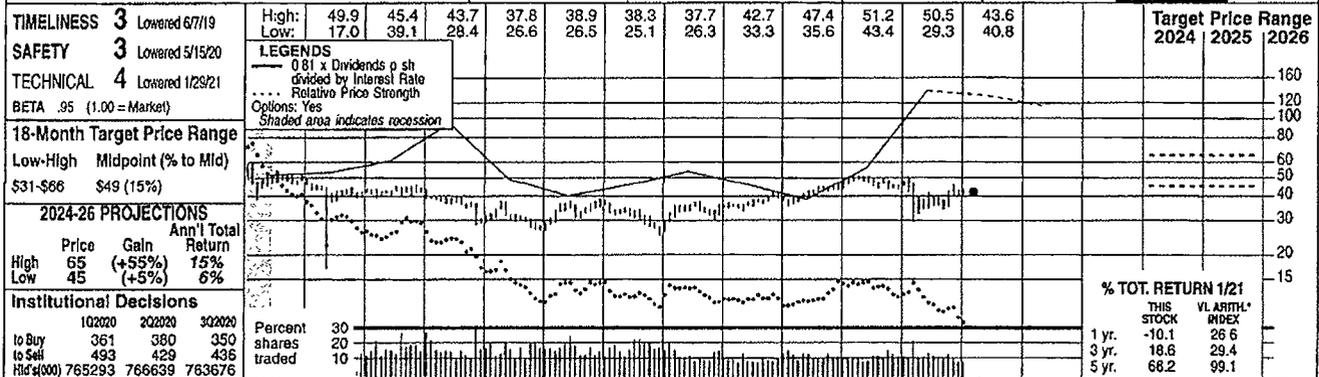
**We expect the board of trustees to**

(A) Diluted EPS. Excl. nonrecurring gains (losses): '05, (\$1.38); '08, (19c); '10, 9c; '19, (64c); '20, (25c). Next earnings report due late Feb. (B) Div's historically paid late Mar., June, (elec.) '18, 9.25%; (gas) '18, 9.3%; in NH: '21, 9.3%; earned on avg. com. eq., '19: 9.2%. (C) Incl. deferred charges. In '19: \$28.16/sh. (D) In mill. (E) Rate allowed on com. eq. in MA: Regulatory Climate: CT, Below Average; NH, Average; MA, Above Average.

**Company's Financial Strength**  
 Stock's Price Stability 85  
 Price Growth Persistence 70  
 Earnings Predictability 100

# EXELON CORP. NDAQ-EXC

RECENT PRICE **42.08** P/E RATIO **13.4** (Trailing: 14.0 Median: 15.0) RELATIVE P/E RATIO **0.65** DIV'D YLD **3.8%** VALUE LINE



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	VALUE LINE PUB. LLC	24-26
23.05	23.37	28.62	28.65	26.25	28.17	28.53	27.48	29.03	31.90	32.01	33.94	34.81	37.17	35.39	33.80	34.75	36.65	Revenues per sh	42.50
6.19	6.71	7.43	7.64	8.25	8.32	7.23	6.61	6.72	6.61	6.80	7.01	8.37	8.24	8.96	9.10	9.45	9.90	"Cash Flow" per sh	11.25
3.21	3.50	4.03	4.10	4.29	3.87	3.75	1.92	2.31	2.10	2.54	1.80	2.78	2.07	3.01	3.00	3.00	3.15	Earnings per sh <sup>A</sup>	3.50
1.60	1.64	1.82	2.05	2.10	2.10	2.10	2.10	1.46	1.24	1.24	1.26	1.31	1.38	1.45	1.53	1.61	1.70	Div'd Decl'd per sh <sup>B</sup>	2.00
3.25	3.61	4.05	4.74	4.96	5.03	6.09	6.77	6.29	7.07	8.29	9.26	7.87	7.84	7.45	8.45	7.25	7.35	Cap'l Spending per sh	7.50
13.69	14.89	15.34	16.78	19.16	20.49	21.68	25.07	26.52	26.29	28.04	27.96	30.99	31.77	33.12	34.00	35.35	36.80	Book Value per sh <sup>C</sup>	41.50
666.37	669.86	660.88	658.15	659.76	681.85	663.37	854.78	857.29	859.83	919.92	924.04	963.34	968.19	973.00	976.00	979.00	982.00	Common Shs Outstg <sup>D</sup>	990.00
15.4	16.5	18.2	18.0	11.5	11.0	11.3	19.1	13.4	16.0	12.6	18.7	13.4	20.1	15.7	13.3	13.3	13.3	Avg Ann'l P/E Ratio	15.5
.82	.89	.97	1.08	.77	.70	.70	1.22	.75	.84	.63	.98	.67	1.09	.84	.65	.65	.65	Relative P/E Ratio	.85
3.2%	2.8%	2.5%	2.8%	4.3%	4.9%	5.0%	5.7%	4.7%	3.7%	3.9%	3.7%	3.5%	3.3%	3.1%	3.8%	3.8%	3.8%	Avg Ann'l Div'd Yield	3.7%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$39160 mill. Due in 5 Yrs \$12622 mill.  
 LT Debt \$35902 mill. LT Interest \$1513 mill.  
 Includes \$390 mill. nonrecourse transition bonds.  
 (LT interest earned: 3.4x)  
 Leases, Uncapitalized Annual rentals \$287 mill.

**Pension Assets-12/19 \$18590 mill.**  
 Oblig \$22868 mill.

**Pfd Stock None**

**Common Stock 975,572,463 shs.**

**MARKET CAP: \$41 billion (Large Cap)**

ELECTRIC OPERATING STATISTICS			
	2017	2018	2019
% Change Retail Sales (KWh)	-3.0	NA	NA
Avg. Indust. Use (MWh)	NA	NA	NA
Avg. Indust. Rev. per MWh (¢)	NMF	NMF	NMF
Capacity at Peak (MW)	NA	NA	NA
Peak Load (MW)	NA	NA	NA
Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+9	NA	NA
Fixed Charge Cov. (%)	282	236	257

ANNUAL RATES				
of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19	'17-'19 to '24-'26
Revenues	2.5%	4.0%	2.5%	2.5%
"Cash Flow"	1.0%	5.0%	4.0%	4.0%
Earnings	-4.5%	4.5%	4.0%	4.0%
Dividends	-3.5%	-3.0%	5.5%	5.5%
Book Value	6.5%	4.0%	4.0%	4.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	9693	8076	9403	8813	35985
2019	9477	7689	8929	8343	34438
2020	8747	7322	8853	8078	33000
2021	9450	7500	8650	8200	34000
2022	9700	7750	9100	8450	36000

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	.60	.56	.76	.16	2.07
2019	.93	.50	.79	.79	3.01
2020	.60	.73	.89	.78	3.00
2021	.85	.60	.90	.65	3.00
2022	.90	.60	.95	.70	3.15

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.328	.328	.328	.328	1.31
2018	.345	.345	.345	.345	1.38
2019	.3625	.3625	.3625	.3625	1.45
2020	.3825	.3825	.3825	.3825	1.53
2021					

**BUSINESS:** Exelon Corporation is a holding company for Commonwealth Edison, PECO Energy, Baltimore Gas and Electric, Pepco, Delmarva Power, & Atlantic City Electric. Has 8.9 mill. elec., 1.3 mill. gas customers. Has nonregulated generating & energy-marketing ops. Acq'd Constellation Energy 3/12; Pepco Holdings 3/16. Elec. rev. breakdown: res'l, 54%; small comm'l & ind'l, 18%;

**Exelon is considering a corporate separation.** The company's nonregulated operations have faced difficult market conditions for more than a decade. Margins on merchant (uncontracted) power sales have shrunk. This is a key factor that prompted Exelon to increase the proportion of income from the regulated business by acquiring utilities in 2012 and 2016. The company has already shut nuclear units in New Jersey and Pennsylvania, and plans to close two more (in Illinois) this year. Accordingly, Exelon might spin off its nonregulated operations into a separate entity, thereby becoming a transmission and distribution electric and gas utility.

**We look for flat earnings in 2021 and moderate profit growth in 2022.** The regulated utility business should benefit from rate relief (see below) and additional revenues from regulatory mechanisms. This should outweigh any weakness from the nonregulated activities. Note that our estimates can be skewed by items such as mark-to-market accounting gains or losses or unrealized gains or losses on the nuclear decommissioning trusts. We include these in our presentation because they are

an ongoing part of Exelon's results. As usual, the utilities are active in the regulatory arena. Pepco is seeking three-year rate increases in Washington, DC and Maryland. In Washington, the utility filed for increases totaling \$135.9 million, based on a 9.7% return on equity. An order is expected in the second quarter. In Maryland, Pepco requested hikes totaling \$110.1 million, based on a 10.2% ROE. A ruling is due by May 24th. In Delaware, Delmarva Power filed for an electric increase of \$24.0 million, based on a 10.3% ROE. A decision is expected in the second quarter. In Pennsylvania, the company asked for a gas increase of \$68.7 million, based on a 10.95% ROE. An order is expected in June. In New Jersey, Atlantic City Electric is seeking a hike of \$67.3 million, based on a 10.3% ROE. A ruling is expected by September 8th.

**The dividend yield of this stock is about equal to the utility average.** Total return potential is attractive for the 18-month span and the 3- to 5-year period. There is also some speculative appeal due to the possibility of a corporate separation.

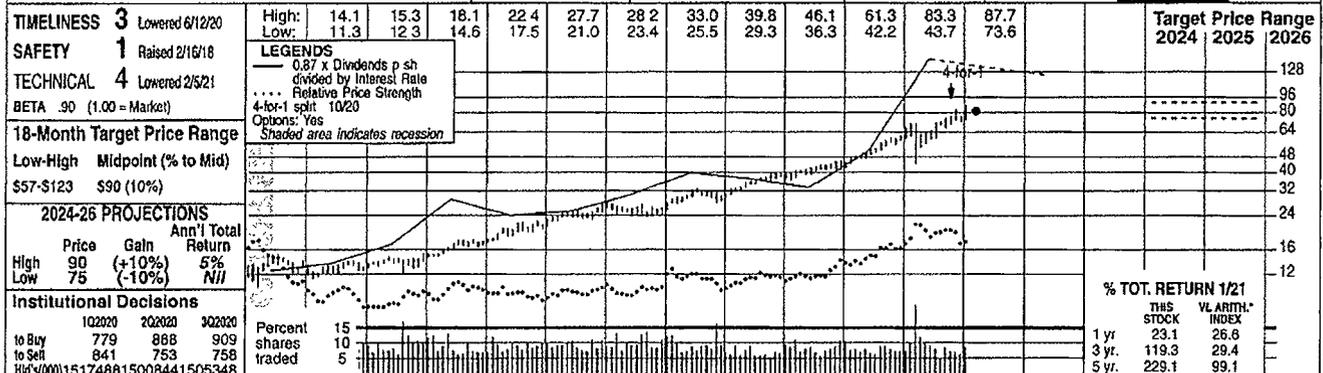
*Paul E. Debbas, CFA* February 12, 2021

(A) Diluted eps. Excl. nonrec. gain (losses): '05, (\$1.85); '06, (\$1.15); '09, (20¢); '12, (50¢); '13, (31¢); '14, 23¢; '16, (58¢); '17, \$1.19; '20, (58¢). '18 EPS don't sum due to rounding. Next earnings report due late Feb. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. (C) Div'd reinv. plan avail. (D) Incl. deferred charges. In '19: \$15.43/sh. (E) Incl. (E) Rate all'd on com. eq. in IL in '15: 9.25%; in MD in '16: 9.75% elec., 9.65% gas; in NJ in '16: 9.75%, eamed on avg. com. eq., '19: 9.3%. Reg. Climate: PA, NJ Avg.; IL, MD, Below Avg.



# NEXTERA ENERGY NYSE-NEE

RECENT PRICE **81.70** P/E RATIO **31.9** (Trailing: 39.1 Median: 18.0) RELATIVE P/E RATIO **1.56** DIV'D YLD **1.9%** VALUE LINE



**TIMELINESS** 3 Lowered 6/12/20  
**SAFETY** 1 Raised 2/16/18  
**TECHNICAL** 4 Lowered 2/5/21  
**BETA** .90 (1.00 = Market)  
**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$57-\$123 \$90 (10%)  
**2024-26 PROJECTIONS**  
 High Price 90 Gain (+10%) 5%  
 Low Price 75 (-10%) Nil  
**Institutional Decisions**  
 10/20/20 2Q/20/20 3Q/20/20  
 To Buy 779 888 909  
 To Sell 841 753 758  
 Hld's(000) 1517488 1500844 1505348  
 Percent shares traded 15 10 5

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High	7.50	9.69	9.37	10.03	9.45	9.10	9.22	8.41	8.70	9.61	9.48	8.63	9.13	8.75	9.82	9.20	9.80	10.30	10.80	11.30	11.80	12.30
Low	1.54	1.69	1.71	2.01	2.19	2.41	2.32	2.17	2.63	3.03	3.23	3.24	3.03	3.84	4.22	4.30	4.70	5.00	5.30	5.60	5.90	6.20
Gain	.58	.81	.82	1.02	.99	1.19	1.21	1.14	1.21	1.40	1.52	1.45	1.63	1.67	1.94	2.10	2.45	2.65	2.95	3.25	3.55	3.85
Loss	.36	.38	.41	.45	.47	.50	.55	.60	.66	.73	.77	.87	.98	1.11	1.25	1.40	1.54	1.70	1.86	2.02	2.18	2.34
Ann'l Total	1.02	2.31	3.08	3.20	3.63	3.47	3.98	5.58	3.84	3.96	4.54	5.15	5.70	6.80	6.29	7.45	7.75	7.60	7.45	7.30	7.15	7.00
High	5.38	6.12	6.59	7.14	7.84	8.59	8.98	9.47	10.37	11.24	12.24	13.00	14.97	17.86	18.92	18.65	19.50	21.05	22.60	24.15	25.70	27.25
Low	1579.4	1621.6	1629.4	1635.7	1654.5	1683.4	1664.0	1696.0	1740.0	1772.0	1844.0	1872.0	1884.0	1912.0	1956.0	1960.0	1960.0	1980.0	2000.0	2020.0	2040.0	2060.0
Price	17.9	13.7	18.9	14.5	13.4	10.8	11.5	14.4	16.6	17.3	16.9	20.7	21.6	24.8	26.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8
Gain	.95	.74	1.00	.87	.89	.69	.72	.92	.93	.91	.85	1.09	1.09	1.34	1.43	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Loss	3.4%	3.4%	2.7%	3.0%	3.5%	3.9%	4.0%	3.6%	3.3%	3.0%	3.0%	2.9%	2.8%	2.7%	2.4%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenues per sh	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
"Cash Flow" per sh	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Earnings per sh A	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Div'd Decl'd per sh B = †	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Cap'l Spending per sh	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Book Value per sh C	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
Common Shs Outst'g D	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0	2025.0
Avg Ann'l P/E Ratio	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Relative P/E Ratio	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Avg Ann'l Div'd Yield	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenues (\$mill)	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500	24500
Net Profit (\$mill)	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500
Income Tax Rate	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
AFUDC % to Net Profit	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Long-Term Debt Ratio	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%
Common Equity Ratio	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%
Total Capital (\$mill)	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500	110500
Net Plant (\$mill)	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500	147500
Return on Total Cap'l	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Return on Shr. Equity	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Return on Com Equity E	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Retained to Com Eq	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
All Div'ds to Net Prof	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%

**CAPITAL STRUCTURE** as of 9/30/20  
 Total Debt \$49096 mill. Due in 5 Yrs \$20074 mill.  
 LT Debt \$42794 mill. LT Interest \$1669 mill.  
 (LT Interest earned: 3.8x)  
 Pension Assets-12/19 \$4800 mill.  
 Oblig \$3363 mill.  
 Pfd Stock None  
 Common Stock 1,959,074,124 shs.  
 (Adjusted for 4-for-1 split paid 10/27/20)  
**MARKET CAP: \$160 billion (Large Cap)**

Year	2017	2018	2019
% Change Retail Sales (KWH)	-9	+1.4	+1.7
Avg. Indust. Use (KWH)	NA	NA	NA
Avg. Indust. Rate per KWH (c)	NA	6.40	6.39
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	+1.8

Year	2017	2018	2019
Fixed Charge Cov. (%)	278	266	230

Year	2017	2018	2019	2020	2021	2022
ANNUAL RATES						
of change (per sh)						
Revenues	-5%	5%	4.0%			
"Cash Flow"	6.5%	7.0%	7.0%			
Earnings	6.5%	7.0%	10.5%			
Dividends	9.5%	11.0%	10.5%			
Book Value	9.0%	10.5%	6.0%			
QUARTERLY REVENUES (\$mill.)						
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	
2018	3857	4063	4416	4391	16727	
2019	4075	4970	5572	4587	19204	
2020	4613	4204	4785	4395	17997	
2021	4500	4800	5300	4600	19200	
2022	4750	5100	5600	4900	20350	
EARNINGS PER SHARE A						
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	
2018	.52	.41	.53	.22	1.67	
2019	.35	.64	.45	.50	1.94	
2020	.21	.65	.62	.61	2.10	
2021	.65	.65	.65	.50	2.45	
2022	.70	.70	.70	.55	2.65	
QUARTERLY DIVIDENDS PAID B = †						
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	
2017	.2456	.2456	.2456	.2456	.98	
2018	.2775	.2775	.2775	.2775	1.11	
2019	.3125	.3125	.3125	.3125	1.25	
2020	.35	.35	.35	.35	1.40	
2021						

**NextEra Energy was the standout performer in the electric utility industry in 2020.** Last year was a bad one for this group, as a whole, but the price of NextEra stock soared 27%. The quotation has risen a further 6% in early 2021. The company's regulated utilities, Florida Power and Light and Gulf Power, are faring well and are earning a healthy return on equity. NextEra Energy Resources has established a top position in renewable energy. The company has performed consistently well for several years, although reported earnings from year to year will fluctuate based on mark-to-market accounting gains or losses. We include these in our earnings presentation because they are a normal part of NextEra's business. **Growth from the regulated and non-regulated businesses points to higher earnings in 2021 and 2022.** FPL's earning power rises along with increases in regulatory capital employed. The non-regulated business should benefit from increased demand for renewable energy. Our 2021 and 2022 share-net estimates are within management's targeted ranges of \$2.40-\$2.54 and \$2.55-\$2.75, respectively.

**A rate application is upcoming.** This will be a combined filing for FPL and Gulf Power, which have been merged into one utility. The company expects to request increases of \$1.1 billion in 2022 and \$615 million in 2

# SOUTHERN COMPANY NYSE-SO

RECENT PRICE **59.11** P/E RATIO **18.1** (Trailing: 19.3 Median: 16.0) RELATIVE P/E RATIO **0.88** DIV'D YLD **4.4%** VALUE LINE

**TIMELINESS** 3 Raised 3/2/18  
**SAFETY** 2 Lowered 2/21/14  
**TECHNICAL** 3 Lowered 2/12/21  
 BETA .95 (1.00 = Market)

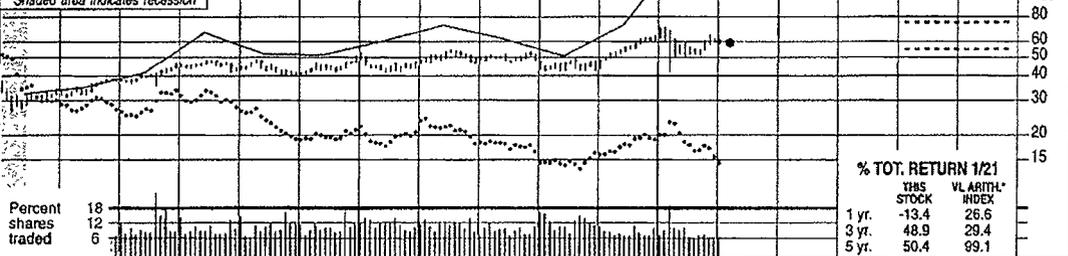
High: 38.6 46.7 49.6 48.7 51.3 53.2 54.6 53.5 49.4 64.3 71.1 61.7  
 Low: 30.8 35.7 41.8 40.0 40.3 41.4 46.0 46.7 42.4 43.3 42.0 58.1

LEGENDS  
 0.52 x Dividends p sh  
 divided by Interest Rate  
 .... Relative Price Strength  
 Options: Yes  
 Shaded area indicates recession

**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$43-\$98 \$71 (20%)

**2024-26 PROJECTIONS**  
 High Price Gain Ann'l Total  
 Low 75 55 (+25%) (-5%) 10% 3%

**Institutional Decisions**  
 10200 20200 30200  
 to Buy 565 641 598  
 to Sell 730 586 612  
 H's(%) 626906 610231 610548



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	VALUE LINE PUB. LLC	24-26
18.28	19.24	20.12	22.04	19.21	20.70	20.41	19.06	19.26	20.34	19.18	20.09	22.86	22.73	20.34	19.15	19.90	20.30	Revenues per sh	23.50
4.03	4.01	4.22	4.43	4.43	4.51	4.91	5.18	5.27	5.28	5.47	5.69	6.64	6.41	6.33	6.90	7.15	7.30	"Cash Flow" per sh	8.50
2.13	2.10	2.28	2.25	2.32	2.36	2.55	2.67	2.70	2.77	2.84	2.83	3.21	3.00	3.17	3.15	3.25	3.40	Earnings per sh A	4.00
1.48	1.54	1.60	1.66	1.73	1.80	1.87	1.94	2.01	2.08	2.15	2.22	2.30	2.38	2.46	2.54	2.62	2.70	Div'd Decl'd per sh B	2.94
3.20	4.01	4.65	5.10	5.70	4.85	5.23	5.54	6.16	6.58	6.22	7.38	7.37	7.74	7.17	8.70	7.50	6.90	Cap'l Spending per sh	6.75
14.42	15.24	16.23	17.08	18.15	19.21	20.32	21.09	21.43	21.98	22.59	25.00	23.98	23.92	26.11	26.55	27.25	28.80	Book Value per sh C	31.75
741.45	746.27	763.10	777.19	819.65	843.34	865.13	867.77	887.09	907.78	911.72	990.39	1007.6	1033.8	1053.3	1056.0	1056.0	1085.0	Common Shs Outs't'd D	1085.0
15.9	16.2	16.0	16.1	13.5	14.9	15.8	17.0	16.2	16.0	15.8	17.8	15.5	15.1	17.6	18.5	18.5	18.5	Avg Ann'l P/E Ratio	16.5
.85	.87	.85	.97	.90	.95	.99	1.08	.91	.84	.80	.93	.78	.82	.94	.95	.95	.95	Relative P/E Ratio	.90
4.4%	4.5%	4.4%	4.6%	5.5%	5.1%	4.6%	4.3%	4.6%	4.7%	4.8%	4.4%	4.6%	5.3%	4.4%	4.4%	4.4%	4.4%	Avg Ann'l Div'd Yield	4.5%

**CAPITAL STRUCTURE as of 9/30/20**  
 Total Debt \$50130 mill. Due in 5 Yrs \$11282 mill.  
 LT Debt \$45581 mill. LT Interest \$1706 mill.  
 (LT interest earned: 3.2x)  
 Leases, Uncapitalized Annual rentals \$289 mill.  
 Pension Assets-12/19 \$14057 mill.  
 Oblig \$14788 mill.  
 Pfd Stock \$291 mill. Pfd Div'd \$15 mill.  
 Incl. 10 mill. shs. 5.83% cum. pfd. (\$25 stated value); 475,115 shs. 4.2%-5.44% cum. pfd. (\$100 par).  
 Common Stock 1,056,241,993 shs.  
 MARKET CAP: \$62 billion (Large Cap)

**ELECTRIC OPERATING STATISTICS**

	2017	2018	2019
% Change Retail Sales (RWH)	-2.6	+3.6	-8.5
Avg Indust. Use (MWH)	3016	3048	2947
Avg Indust. Revs per RWH (¢)	6.18	6.04	6.03
Capacity at Yearend (MW)	46936	45824	41940
Peak Load, Summer (MW) F	34874	36429	34209
Annual Load Factor (%)	61.4	61.2	60.3
% Change Customers (yr-end)	+1.0	+1.0	-8.9

**ANNUAL RATES**

	Past 10 Yrs.	Past 5 Yrs.	Past 280 '17-'19	Est'd '24-'26
Revenues	5%	2.5%	1.0%	1.0%
"Cash Flow"	4.0%	4.5%	4.0%	4.0%
Earnings	3.0%	3.0%	3.5%	3.5%
Dividends	3.5%	3.5%	3.0%	3.0%
Book Value	3.5%	3.0%	3.5%	3.5%

Cal-endar	QUARTERLY REVENUES (mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	6372	5627	6159	5337	23495
2019	5412	5098	5995	4914	21419
2020	5018	4620	5620	4942	20200
2021	5200	4800	5800	5200	21000
2022	5450	5050	6100	5400	22050

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	.99	.71	1.13	.17	3.00
2019	.75	.85	1.25	.32	3.17
2020	.81	.75	1.18	.41	3.15
2021	.85	.75	1.25	.40	3.25
2022	.90	.80	1.30	.40	3.40

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.56	.58	.58	.58	2.30
2018	.58	.60	.60	.60	2.38
2019	.60	.62	.62	.62	2.46
2020	.62	.64	.64	.64	2.54
2021					

**BUSINESS:** The Southern Company, through its subs., supplies electricity to 4.3 mill. customers in GA, AL, and MS. Also has a competitive generation business. Acq'd AGL Resources (renamed Southern Company Gas, 4.3 mill. customers in GA, NJ, IL, VA, & TN) 7/16. Sold Gulf Power 1/19. Electric rev. breakdown: residential, 37%; commercial, 30%; industrial, 19%; other, 14%. Retail revs. by state: GA, 56%; AL, 38%; MS, 6%. Generating sources: gas, 47%; coal, 20%; nuclear, 15%; other, 9%; purchased, 9%. Fuel costs: 34% of revs. '19 reported depr. rates (util.): 2.6%-3.7%. Has 27,900 empl. Chairman, Pres. and CEO: Thomas A. Fanning, Inc.: DE. Address: 30 Ivan Allen Jr. Blvd., N.W., Atlanta, GA 30308. Tel.: 404-506-0747. Internet: www.southerncompany.com.

**The first of two nuclear units that Southern Company's Georgia Power subsidiary is building at the site of the Vogtle station is scheduled to come on line in November.** The project has had extensive delays and cost overruns, and the company has written off a portion of its capital costs that are not recoverable from customers. As of September 30th, \$1.6 billion of capital costs and \$500 million of financing costs remained (of a total of \$11.5 billion) for Georgia Power's 45.7% share of the project. It now appears unlikely that Unit 3 will come in ahead of schedule, as the company had hoped last fall, because the utility stated in January that coronavirus cases have disrupted construction. Unit 4 is still scheduled for commercial operation in November of 2022. Management will provide a further update when the company reports 2020 earnings in mid-February, and whether the cost estimate will be raised remains to be seen.

**Rate relief should help lift earnings in 2021 and 2022.** Georgia Power received the second phase of a three-year rate increase, \$181 million, at the start of this

year. The last phase, \$386 million, will take effect at the start of 2022. Some of Southern Company's gas utilities have rate cases pending. Atlanta Gas Light and Virginia Natural Gas filed for increases of \$37.6 million and \$49.6 million, respectively. In Illinois, Nicor Gas requested a hike of \$293 million, based on a 10.35% return on equity and a 54.5% common-equity ratio. An order is due by mid-December. Some of Southern Company's other utilities receive annual revenues through various regulatory mechanisms. An improved economy ought to help, as well. Our estimates of \$3.25 a share and \$3.40 a share would produce earnings growth of 3% and 5%, respectively, this year and next.

**Southern Company stock has a dividend yield that is above average, even by utility standards.** Investors must be willing to accept the risks involving the nuclear construction project. We project steady, but modest, dividend growth through mid-decade. Total return potential does not stand out among utility issues, either for the 18-month span or the 3- to 5-year period.

Paul E. Debbas, CFA February 12, 2021

(A) Diluted EPS. Excl. nonrec. gain (losses): '09, (25¢); '13, (83¢); '14, (59¢); '15, (25¢); '16, (28¢); '17, (\$2.37); '18, (76¢); '19, \$1.30; '20, (17¢). Next earnings report due mid-Feb. (B) Div'ds paid in early Mar., June, Sept., and Dec. ■ Div'd reinvest. plan avail. (C) Incl. def'd charges. In '19: \$17.64/sh. (D) In mill. (E) Rate base: AL, MS, fair value; FL, GA, org. cost. AL- lowed return on common equity (blended): 12.5%; eamed on avg. com. eq., '19: 13.0%. Regulatory Climate: GA, AL Above Average; MS, FL Average. (F) Winter peak in '18. Company's Financial Strength A Stock's Price Stability 90 Price Growth Persistence 35 Earnings Predictability 90

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Market Intelligence

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NYSE:ALE (MI Key: 4022309; SPCIQ Key: 289272)

**Corporate Data**

**Company Data**

Status	Operating
Primary Industry (MI)	Electric Utilities
LEI	549300NNLSIMY6Z8OT86
Power Plants	36
SIC Code	4931 - Electric and Other Services Combined

**Contact**

<b>Headquarters</b>	30 West Superior Street Duluth, MN 55802 USA
<b>Phone</b>	(218) 279-5000
<b>Web Address</b>	www.allete.com

**Company Description**

ALLETE is an energy company headquartered in Duluth, Minn. In addition to its electric utilities, Minnesota Power and Superior Water, Light and Power of Wisconsin, ALLETE owns ALLETE Clean Energy, based in Duluth, BNI Energy in Bismarck, N.D., and has an eight percent equity interest in the American Transmission Co. More information about ALLETE is available at [www.allete.com](http://www.allete.com).

As of Date: 11/9/2020

**Officers & Directors**

Executive Chairman	Alan R. Hodnik
CEO, President & Director	Bethany M. Owen
Senior VP & CFO	Robert J. "Bob" Adams
VP, Controller & Chief Accounting Officer	Steven Wayne Morris
Head of Investor Relations	Vincent J. Meyer

**Industry Details (MI)**

- Real Estate
  - Real Estate Management and Development
    - Real Estate Operating and Management
      - Real Estate Operators And Lessors
- Energy and Utilities
  - Oil, Gas and Coal
    - Coal and Consumable Fuels
  - Utilities
    - Electric Utilities**
      - Electric Power Generation By Fossil Fuels
      - Electric Power Transmission and Control

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Gas Utilities

Renewable Electricity

Hydroelectric Power Generation

Electric Power By Solar Energy

Electric Power By Wind Energy

Alternative Energy Resources

## Lines of Business

LINES OF BUSINESS	STATES OF OPERATION
All States	IA, MN, MT, ND, OK, OR, PA, WI
Electric	IA, MN, MT, ND, OK, OR, PA, WI
<i>Generation</i>	IA, MN, MT, ND, OK, OR, PA
Regulated	MN, ND
IPP/Merchant	IA, MN, MT, ND, OK, OR, PA
<i>Transmission</i>	
<i>Electric Distribution</i>	MN, WI
<i>Electric Retail Sales</i>	MN, WI
Natural Gas	WI
<i>Natural Gas Distribution</i>	WI
<i>Natural Gas Retail Sales</i>	WI
Coal	ND
<i>Mining</i>	ND
<i>Sales</i>	ND

## Supply Chain Intelligence (Last 2 Years)

Total Shipments	1
Trading Partners: Companies	1
Trading Partners: Countries	1
Products Shipped and Received (kg)	6,208

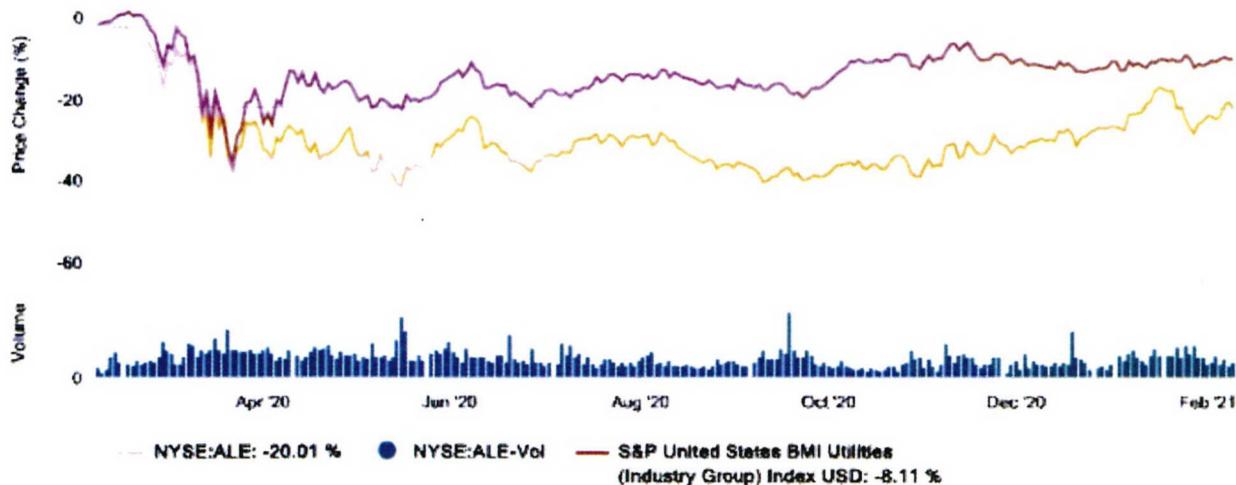
## Market Data

NYSE:ALE \$66.99 0.00% \$0.00

Last (Delayed)	66.99	Volume	267,350
VWAP (Delayed)	66.75	Avg 3M Daily Volume	336,991
Open	66.38	Shares Out.	51,974,885
Previous Close	65.62		(11/9/2020)
Day High	67.18	Day Low	65.65
52 wk High	82.22	52 wk Low	48.22
Beta 3Y	NA	Float (%)	99.58
Market Cap. (\$M)	3,481.8	Inst. Ownership (%)	73.95

Total Enterprise Value (\$M)	5,603.9	Shares Sold Short	964,991
		Short Int/ShOut (%)	1.86
		Div. Yield (%)	3.76

Price Change



Multiples

Recommended: S&P Capital IQ

	NYSE:ALE
P/LTM EPS (x)	19.65
P/NTM EPS (x)	19.7
Price/Book (x)	1.53
Price/Tang Book (x)	1.53
TEV/Total Revenue LTM (x)	4.86
TEV/LTM EBITDA (x)	13.42
Total Debt/EBITDA (x)	5.16

Financial Highlights

Recommended: S&P Capital IQ

Period Ended	9/30/2019	9/30/2020
Total Revenue (\$000)	1,384,200	1,153,300
EBITDA (\$000)	398,300	384,700
EBIT (\$000)	199,100	173,300
Net Income (\$000)	197,000	176,800
Capital Expenditure (\$000)	(532,700)	(716,600)

Total Assets (\$000)	5,275,800	5,878,500
Total Liabilities (\$000)	3,068,000	3,432,900
Total Equity (\$000)	2,207,800	2,445,600
Cash & Short Term Investments (\$000)	100,300	79,000
Net Debt (\$000)	1,547,700	1,957,500
Book Value per Share (\$)	42.73	43.89
Return on Assets (%)	2.38	1.94
Return on Equity (%)	9.11	7.30

**Estimates**

RECOMMENDATION

2.83 - Hold



	CURRENT QTR (4Q '20)	CURRENT YEAR ( '20)	NTM
EPS (\$)	0.74	3.36	3.32
Revenue (\$000)	300,650.00	1,169,847.94	1,256,850.00
EBITDA (\$000)	113,000.00	394,610.04	469,000.00

**Credit Ratings**

AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE / LAST REVIEW DATE*	CREDIT WATCH / OUTLOOK	CREDIT WATCH / OUTLOOK DATE
S&P Global Ratings	Issuer Credit Rating (Foreign Currency LT)	BBB	4/22/2020 / 4/22/2020*	Stable	4/22/2020

\*The date on which an issue or issuer credit rating was last formally reviewed (within a 12 month period) or the last credit rating action date. For certain dependent instruments, the last review date will only be updated in the event of a credit rating change of the linked organization.

**Transactions (Last 5 Transactions)**

TRANSACTION ID	ANNOUNCEMENT DATE	TARGET / ISSUER	TYPE	TRANSACTION VALUE (\$M)	PRIMARY INDUSTRY (MI)
SPTRO2208849	9/14/2020	ALLETE, Inc.	Non-convertible Debt	150.00	Electric Utilities
SPTRO1931259	3/31/2020	ALLETE, Inc.	Non-Convertible Debt	94.00	Electric Utilities
SPTRO1931254	3/31/2020	ALLETE, Inc.	Non-Convertible Debt	46.00	Electric Utilities
SPTRO1623223	7/31/2019	ALLETE, Inc.	Multiple Securities	NA	Electric Utilities
SPTRO1443037	4/25/2019	ALLETE, Inc.	Single Security	305.24	Electric Utilities

**Latest Activity**

**News**

ALLETE Clean Energy signs renewable power contracts with Oshkosh, Hormel - 8 hours ago

RRA RRA Regulatory Focus: Utility sector progressing on gender diversity, but experts say more work needed - 2 days ago

RRA RRA Regulatory Focus: Utility regulators tackle blitz of non-rate case activity - 2 days ago

RRA RRA Regulatory Focus: Commissioner developments, rate case activity dominate January regulatory sector - 6 days ago

Allete raises quarterly dividend by 2% - 6 days ago

## Documents and Transcripts

	10-K 2/13/2020	10-Q 11/9/2020
10-Q		11/9/2020
Transcript (Audio Transcript)		11/9/2020
Transcript (Earnings Call)		11/9/2020
Investor Presentation (EP)		11/9/2020
Earnings Release (ER)		11/9/2020
Investor Presentation (IP)		5/16/2020
Transcript (Shareholder or Analyst Call)		5/12/2020
Form 1		5/1/2020
Proxy (DEFA14A)		4/14/2020
Proxy (DEF 14A)		3/18/2020

## Key Developments

ALLETE Clean Energy, Inc. Announces Renewable Energy Sale Agreements with the Oshkosh Corporation	Client Announcement	2/10/2021
ALLETE, Inc. Announces Quarterly Dividend, Payable on March 1, 2021	Dividend Increase	2/4/2021
FNBC Leasing Corporation acquired a membership interest in 303 MW wind facility in southern Oklahoma from ALLETE Clean Energy, Inc.	M&A: Transaction Closing	1/7/2021
ALLETE Clean Energy Begins Commercial Operations at Diamond Spring Wind Site	Product-related Announcement	12/22/2020
US Solar and Minnesota Power Announce Solar + Storage Project	Client Announcement	12/10/2020

## Events

### Upcoming Events

Ex-Dividend Date, Regular		2/12/2021
Earnings Release Date		2/16/2021
Earnings Call	Phone: (877) 303-5852 Code: 9387381	2/17/2021

### Recent Events

Company Conference Presentation		12/8/2020
Ex-Dividend Date, Regular		11/13/2020
Earnings Call	Phone: (877) 303-5852 Code: 5289685	11/9/2020

### RRA Research Reports

## Regulatory Focus

RRA Research Notes

Rate Case History

Commission Profiles

S&P Credit Ratings and Research provided by **S&P Global**  
Ratings

Branches are sourced from disclosed branch addresses which in aggregate may differ from totals reported in financial statements and other company documents.

States of operation are included for U.S. companies actively covered in the S&P Global Market Intelligence platform and with the following operations: generation (regulated or merchant), electric distribution, electric retail sales, natural gas distribution, natural gas retail sales, coal mining, coal processing, or coal sales. Lines of business details are available for electric transmission and Canadian generation. Coverage may not be inclusive of the institution's complete organizational structure and lines of business.

Intraday data is available for certain exchanges. In all cases, the data is at least 15 minutes delayed.

Historical Equity Pricing Data supplied by Interactive Data Pricing and Reference Data LLC



NYSE:ALE (MI KEY: 4022309; SPCIQ KEY: 289272)

# BBB

## S&P Global Ratings

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Issuer Credit Rating (Foreign Currency LT)  
4/22/2020

Outlook: Stable  
4/22/2020

### Current Ratings

#### S&P GLOBAL RATINGS (S&P Entity Name: ALLETE Inc.)

RATING TYPE	RATING	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	ACTION	CREDITWATCH/ OUTLOOK	CREDITWATCH/ OUTLOOK DATE
<b>Issuer Credit Rating</b>							
Local Currency LT	BBB	4/22/2020	4/22/2020	BBB+	Downgrade   CreditWatch/Outlook	Stable	4/22/2020
Local Currency ST	A-2	1/6/1995	4/22/2020	A-2	CreditWatch/Outlook	NM	5/20/2004
Foreign Currency LT	BBB	4/22/2020	4/22/2020	BBB+	Downgrade   CreditWatch/Outlook	Stable	4/22/2020
Foreign Currency ST	A-2	1/6/1995	4/22/2020	A-2	CreditWatch/Outlook	NM	5/20/2004

### Market Intelligence News

HEADLINE	DATE
ALLETE's credit measures are expected to continue to be pressured by weaker economic conditions related to uncertainties around COVID-19 and an elevated capital spending plan, according to the agency. S&P downgrades ALLETE to BBB	4/22/2020 3:24:00 PM CT
Customer mix, regulatory support critical to how US utilities manage demand drop Dominion Energy and Entergy are among the US utilities that look "relatively insulated" from a drop in reduced commercial and industrial demand, according to Scotia Capital (USA) Inc. analyst Andrew Weisel.	4/2/2020 3:45:00 PM CT
"Electric utilities with disproportionately large commercial and industrial customers could be vulnerable, should the COVID-19 outbreak persist beyond our base-case expectations," S&P Global Ratings analyst Obioma Ugboaja wrote March 19. S&P sees increased risks for certain utilities from coronavirus, recession	3/19/2020 4:16:00 PM CT

**HEADLINE**

**DATE**

S&P continues to view ALLETE negatively after asset sale, affirms ratings  
S&P Global Ratings maintained a negative outlook on ALLETE Inc., following the company's Feb. 8 announcement of a deal to divest U.S. Water Services.

2/12/2019 8 36:00 AM CT

S&P Credit Ratings and Research provided by **S&P Global Ratings**

'Last Review Date' indicates the date on which an Issue/Issuer Credit Rating was last formally reviewed within a twelve-month period or when a Credit Rating Action was last published. For certain dependent instruments, the 'Last Review Date' will only be updated in the event of a Credit Rating change of the linked organization.

Latest S&P Ratings available unless you are a subscriber of S&P Ratings history.

NASDAQGS:LNT, BOVESPA:A1EN34 (MI Key: 4057038; SPCIQ Key: 312949)

A live transcript feed will be available for Q4 Earnings Conference Call

**Corporate Data**

**Company Data**

Status	Operating
Primary Industry (MI)	Electric Utilities
LEI	5493009ML300G373MZ12
Power Plants	37
SIC Code	4931 - Electric and Other Services Combined

**Contact**

<b>Headquarters</b>	4902 North Biltmore Lane Suite 1000 Madison, WI 53718 USA
<b>Phone</b>	(608) 458-3311
<b>Web Address</b>	www.alliantenergy.com

**Company Description**

Alliant Energy is the parent company of two public utility companies - Interstate Power and Light Company and Wisconsin Power and Light Company - and of Alliant Energy Finance, LLC, the parent company of Alliant Energy's non-utility operations. Alliant Energy is an energy-services provider with utility subsidiaries serving approximately 970,000 electric and 420,000 natural gas customers. Providing its customers in the Midwest with regulated electricity and natural gas service is the Company's primary focus. Alliant Energy, headquartered in Madison, Wisconsin, is a component of the S&P 500 and is traded on the Nasdaq Global Select Market under the symbol LNT. For more information, visit the Company's Web site at [www.alliantenergy.com](http://www.alliantenergy.com).

As of Date: 11/2/2020

**Officers & Directors**

Chairman, CEO & President	John O. Larsen
Executive VP & CFO	Robert J. Duran
President of Iowa Energy & Senior VP of Operations	Terry L. Kouba
President of Wisconsin Energy & Senior VP of Operations	David A. de Leon
Head of Investor Relations	Susan Trapp "Sue" Gille

**Industry Details (MI)**

Energy and Utilities
Oil, Gas and Coal
Oil and Gas Storage and Transportation
Natural Gas Pipelines
Utilities
<b>Electric Utilities</b>
Electric Power Generation By Fossil Fuels
Electric Power Distribution
Gas Utilities

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Oil and Gas Distribution  
     Natural Gas Transmission  
     Water Utilities  
     Renewable Electricity  
         Electric Power By Wind Energy  
 Industrials  
     Commercial and Professional Services  
         Diversified Support Services  
             Warehousing and Storage  
     Transportation  
         Air Freight and Logistics  
         Railroads  
             Railroad Transportation of Freight  
         Marine Ports and Services  
             Marine Cargo Services

**Lines of Business**

LINES OF BUSINESS	STATES OF OPERATION
All States	IA, MN, OK, WI
Electric	IA, MN, OK, WI
<i>Generation</i>	IA, MN, OK, WI
Regulated	IA, MN, WI
IPP/Merchant	OK
<i>Transmission</i>	
<i>Electric Distribution</i>	IA, WI
<i>Electric Retail Sales</i>	IA, WI
Natural Gas	IA, WI
<i>Natural Gas Distribution</i>	IA, WI
<i>Natural Gas Retail Sales</i>	IA, WI

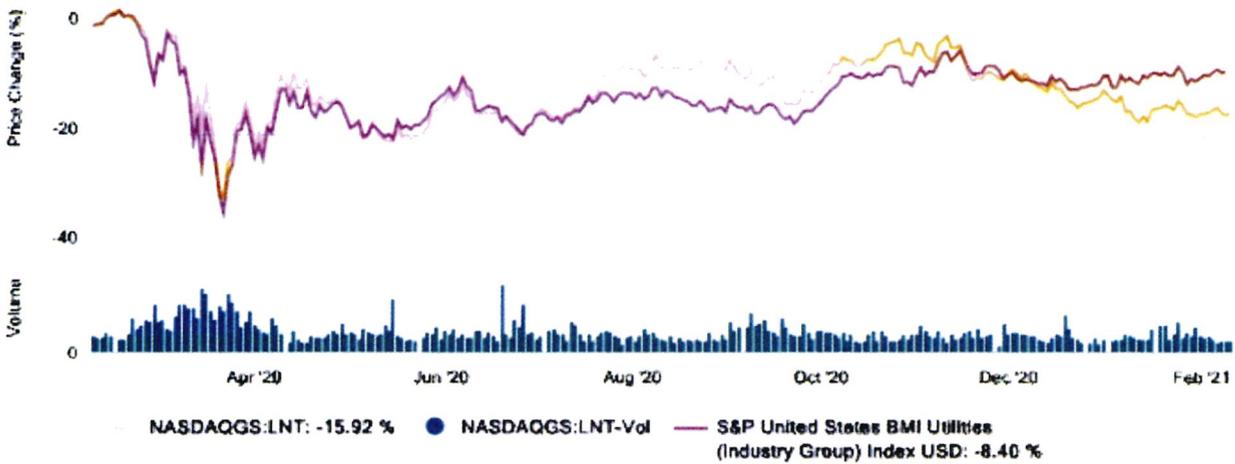
**Market Data**

**NASDAQGS:LNT \$49.12 0.00% \$0.00**

<b>Last (Delayed)</b>	49.12	<b>Volume</b>	800,295
<b>VWAP (Delayed)</b>	49.17	<b>Avg 3M Daily Volume</b>	1,188,673
<b>Open</b>	49.14	<b>Shares Out.</b>	249,760,663
<b>Previous Close</b>	48.84		(11/3/2020)
<b>Day High</b>	49.52	<b>Day Low</b>	48.86
<b>52 wk High</b>	60.28	<b>52 wk Low</b>	37.66
<b>Beta 3Y</b>	NA	<b>Float (%)</b>	99.84
<b>Market Cap. (\$M)</b>	12,268.2	<b>Inst. Ownership (%)</b>	72.72

<b>Total Enterprise Value (\$M)</b>	19,282.2	<b>Shares Sold Short</b>	2,784,239
		<b>Short Int/ShOut (%)</b>	1.11
		<b>Div. Yield (%)</b>	3.28

**Price Change**



**Multiples**

**Recommended: S&P Capital IQ**

	NASDAQGS:LNT
P/LTM EPS (x)	18.29
P/NTM EPS (x)	21.3
Price/Book (x)	2.15
Price/Tang Book (x)	2.15
TEV/Total Revenue LTM (x)	5.54
TEV/LTM EBITDA (x)	13.60
Total Debt/EBITDA (x)	5.17

**Financial Highlights**

**Recommended: S&P Capital IQ**

Period Ended	9/30/2019	9/30/2020
Total Revenue (\$000)	3,641,500	3,478,700
EBITDA (\$000)	1,276,400	1,353,900
EBIT (\$000)	721,900	756,700
Net Income (\$000)	531,300	661,200
Capital Expenditure (\$000)	(1,580,900)	(1,539,100)

Total Assets (\$000)	16,533,400	17,540,000
Total Liabilities (\$000)	11,364,200	11,631,000
Total Equity (\$000)	5,169,200	5,909,000
Cash & Short Term Investments (\$000)	193,700	189,000
Net Debt (\$000)	6,364,800	6,814,000
Book Value per Share (\$)	20.68	22.86
Return on Assets (%)	2.84	2.78
Return on Equity (%)	10.69	11.94

**Estimates**

RECOMMENDATION

2.00 - Outperform



1-Buy

5-Sell

Target \$: 56.91

# of Analysts: 11

	CURRENT QTR (4Q '20)	CURRENT YEAR ( '20)	NTM
EPS (\$)	0.23	2.43	2.30
Revenue (\$000)	1,116,755.99	3,625,619.47	4,006,545.70
EBITDA (\$000)	268,001.46	1,424,324.21	1,464,941.30

**Credit Ratings**

AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE / LAST REVIEW DATE*	CREDIT WATCH / OUTLOOK	CREDIT WATCH / OUTLOOK DATE
S&P Global Ratings	Issuer Credit Rating (Foreign Currency LT)	A-	1/11/2013 / 11/20/2020*	Stable	11/26/2019

\*The date on which an issue or issuer credit rating was last formally reviewed (within a 12 month period) or the last credit rating action date. For certain dependent instruments, the last review date will only be updated in the event of a credit rating change of the linked organization.

**Transactions (Last 5 Transactions)**

TRANSACTION ID	ANNOUNCEMENT DATE	TARGET / ISSUER	BUYER / INVESTOR	SELLER	TYPE	TRANSACTION VALUE (\$M)	PRIMARY INDUSTRY (MI)
SPTRD1799557	1/12/2021	Springfield Solar Farm	Alliant Energy Corporation	National Grid plc	Acquisition of Asset or Branch	NA	Renewable Electricity
SPTRO2269434	12/15/2020	Alliant Energy Corporation	NA	NA	Multiple Securities	NA	Electric Utilities
SPTRO2247345	11/6/2020	Alliant Energy Corporation	NA	NA	Single Security	283.45	Electric Utilities
SPTRD1773902	10/21/2020	65 MWac Paddock and 50 MWac Albany solar projects located in Rock and Green coun*	Alliant Energy Corporation	Capital Dynamics AG	Acquisition of Asset or Branch	NA	Renewable Electricity
SPTRO2011093	5/26/2020	Alliant Energy Corporation	NA	NA	Single Security	417.42	Electric Utilities

**Latest Activity**

**News**

- RRA RRA Regulatory Focus: Utility sector progressing on gender diversity, but experts say more work needed - 2 days ago
- RRA RRA Regulatory Focus: Utility regulators tackle blitz of non-rate case activity - 2 days ago
- RRA RRA Regulatory Focus: Commissioner developments, rate case activity dominate January regulatory sector - 6 days ago
- RRA RRA Regulatory Focus: Energy measures put on back burner in 2020 as over 600 bills failed to advance - 7 days ago
- Alliant, MG&E, WEC to retire 1,100-MW Columbia coal-fired plant by 2025 - 8 days ago

**Documents and Transcripts**

	10-K 2/21/2020	10-Q 11/3/2020
10-Q		11/3/2020
Transcript (Audio Transcript)		11/3/2020
Transcript (Earnings Call)		11/3/2020
Investor Presentation (EP)		11/3/2020
Investor Presentation (IP)		8/21/2020
Transcript (Shareholder or Analyst Call)		5/21/2020
Earnings Release (ER)		5/7/2020
Proxy (DEF 14A)		4/9/2020
Proxy (DEFA14A)		4/9/2020
10-K		2/21/2020

**Key Developments**

Jillian C. Evanko Resigns from the Boards and All Committees of Alliant Energy Corporation, Interstate Power and Light Company and Wisconsin Power and Light Company	Other Executive or Board Change	1/29/2021
Jillian C. Evanko Resigns from the Boards and All Committees of Alliant Energy Corporation, Interstate Power and Light Company and Wisconsin Power and Light Company	Other Executive or Board Change	1/29/2021
Jillian C. Evanko Resigns from the Boards and All Committees of Alliant Energy Corporation, Interstate Power and Light Company and Wisconsin Power and Light Company	Other Executive or Board Change	1/29/2021
Alliant Energy Corporation, \$ 0.4025, Cash Dividend, Jan-28-2021	Ex-Dividend Date, Regular	1/28/2021
Alliant Energy Corporation Declares Quarterly Common Stock Dividend, Payable on February 16, 2021	Dividend Increase	1/19/2021

**Events**

**Upcoming Events**

Earnings Release Date		2/17/2021
Earnings Call	Phone: (888) 394-8218 Code: 4175543	2/19/2021

**Recent Events**

Ex-Dividend Date, Regular		1/28/2021
Earnings Call	Phone: (888) 394-8218 Code: 4175543	11/3/2020
Earnings Release Date		11/1/2020

## RRA Research Reports

### Regulatory Focus

RRA Research Notes

Rate Case History

Commission Profiles

\* Indicates that the deal directly or indirectly involved a private equity investor

S&P Credit Ratings and Research provided by **S&P Global**  
Ratings

Branches are sourced from disclosed branch addresses which in aggregate may differ from totals reported in financial statements and other company documents.

States of operation are included for U.S. companies actively covered in the S&P Global Market Intelligence platform and with the following operations: generation (regulated or merchant), electric distribution, electric retail sales, natural gas distribution, natural gas retail sales, coal mining, coal processing, or coal sales. Lines of business details are available for electric transmission and Canadian generation. Coverage may not be inclusive of the institution's complete organizational structure and lines of business.

Intraday data is available for certain exchanges. In all cases, the data is at least 15 minutes delayed.

Historical Equity Pricing Data supplied by Interactive Data Pricing and Reference Data LLC



NASDAQGS:LNT, BOVESPA:A1EN34 (MI KEY: 4057038, SPCIQ KEY: 312949)

**A-**

**S&P Global Ratings**

Issuer Credit Rating (Foreign Currency LT)

1/11/2013

Outlook: Stable

11/26/2019

**Current Ratings**

S&P GLOBAL RATINGS (S&P Entity Name:Alliant Energy Corp.)

RATING TYPE	RATING	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	ACTION	CREDITWATCH/ OUTLOOK	CREDITWATCH/ OUTLOOK DATE
<b>Issuer Credit Rating</b>							
Local Currency LT	A-	1/11/2013	11/20/2020	A-	CreditWatch/Outlook	Stable	11/26/2019
Local Currency ST	A-2	10/17/2001	11/20/2020	A-1	Downgrade		
Foreign Currency LT	A-	1/11/2013	11/20/2020	A-	CreditWatch/Outlook	Stable	11/26/2019
Foreign Currency ST	A-2	10/17/2001	11/20/2020	A-1	Downgrade		

**Subsidiaries**

SUBSIDIARY	AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	CREDITWATCH / OUTLOOK	CREDITWATCH / OUTLOOK DATE
Alliant Energy Resources Inc.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	4/8/2014		A-	NR	4/8/2014
IES Utilities, Inc.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	2/27/2002		A-	NR	2/27/2002
Interstate Power & Light Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	1/11/2013	11/20/2020	A-	Stable	11/26/2019
Iowa Southern Utilities	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	8/13/2002		A-	NR	8/13/2002
Wisconsin Power and Light Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A	1/11/2013	11/20/2020	A	Stable	11/26/2019

**Market Intelligence News**

HEADLINE	DATE
As uncertainty grows about the global impact of the new coronavirus, U.S. utility stocks' high quality and defensiveness appear to position them favorably compared to other industries, Scotia Capital (USA) equity analyst Andrew Weisel said. Coronavirus could benefit US utility stocks, analyst says	2/27/2020 9:23:00 AM CT
Scotiabank on Dec. 20 upgraded both American Electric Power and Alliant Energy to "sector outperform" from "sector perform." Scotiabank upgrades AEP, Alliant to 'sector outperform'	12/20/2019 11:51:00 AM CT
Moody's cited high capital expenditures in the next few years largely financed with debt. Moody's downgrades Alliant Energy, Wisconsin Power and Light	12/12/2019 3:55:00 PM CT
S&P Global Ratings on Nov. 27 raised the outlook on Alliant Energy Corp. and its subsidiaries to stable from negative to reflect an increase in planned capital spending. S&P raises outlook for Alliant, subsidiaries to stable	11/27/2019 9:05:00 AM CT

S&P Credit Ratings and Research provided by **S&P Global Ratings**

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**S&P Global**  
Market Intelligence  
Alliant Energy Corporation | Credit Ratings

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'Last Review Date' indicates the date on which an Issue/Issuer Credit Rating was last formally reviewed within a twelve-month period or when a Credit Rating Action was last published. For certain dependent instruments, the 'Last Review Date' will only be updated in the event of a Credit Rating change of the linked organization.

Latest S&P Ratings available unless you are a subscriber of S&P Ratings history.

NYSE: AEE, BOVESPA:A1EE34 (MI Key: 4007308; SPCIQ Key: 373264)

A live transcript feed will be available for Q4 Earnings Conference Call

**Corporate Data**

**Company Data**

Status	Operating
Primary Industry (MI)	Multi-Utilities
LEI	XRZQ5S7HYJFPJ78L959
Date Established	03/02/1997
Power Plants	28
SIC Code	4931 - Electric and Other Services Combined

**Contact**

<b>Headquarters</b>	One Ameren Plaza 1901 Chouteau Avenue Saint Louis, MO 63103 USA
<b>Phone</b>	(314) 621-3222
<b>Web Address</b>	www.ameren.com

**Company Description**

St. Louis-based Ameren Corporation powers the quality of life for 2.4 million electric customers and more than 900,000 natural gas customers in a 64,000-square-mile area through its Ameren Missouri and Ameren Illinois rate-regulated utility subsidiaries. Ameren Illinois provides electric transmission and distribution service and natural gas distribution service. Ameren Missouri provides electric generation, transmission and distribution service, as well as natural gas distribution service. Ameren Transmission Company of Illinois develops, owns and operates rate-regulated regional electric transmission projects. For more information, visit Ameren.com, or follow us on Twitter at @AmerenCorp, Facebook.com/AmerenCorp, or LinkedIn/company/Ameren.

As of Date: 11/4/2020

**Officers & Directors**

Chairman, President & CEO	Warner L. Baxter
Executive VP, CFO, Chairman of Ameren Missouri & President of Ameren Services	Michael L. Moehn
Senior VP of Finance & Chief Accounting Officer	Bruce A. Steinke
Senior VP, General Counsel & Secretary	Chonda J. Nwamu
Head of Investor Relations	Andrew Kirk

**Industry Details (MI)**

Energy and Utilities
Utilities
Electric Utilities
Electric Power Generation By Fossil Fuels
Electric Power Generation By Nuclear Fuels
Electric Power Transmission and Control
Electric Power Distribution

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Gas Utilities

Oil and Gas Distribution

Natural Gas Transmission

Multi-Utilities

Renewable Electricity

Hydroelectric Power Generation

Electric Power By Solar Energy

Lines of Business

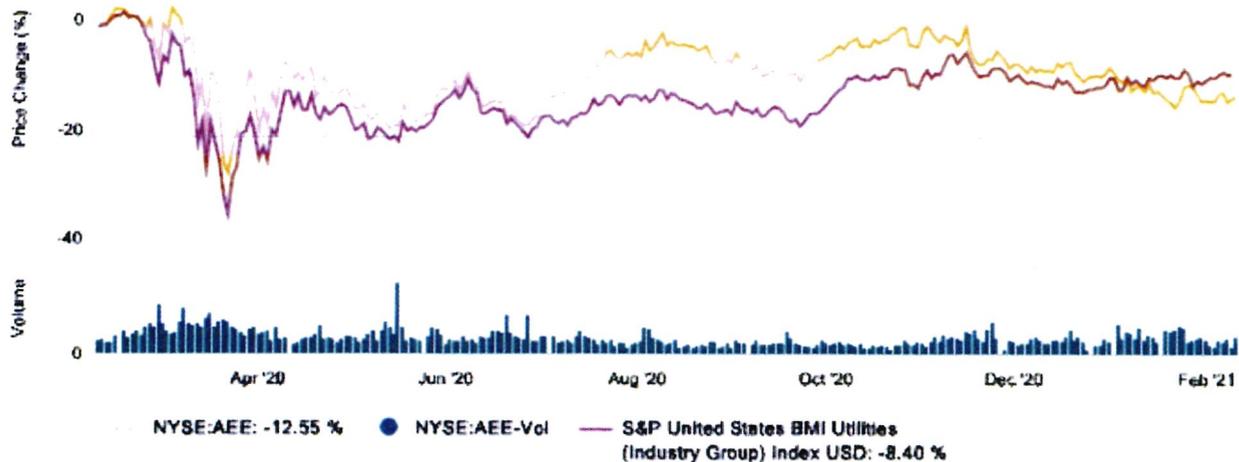
LINES OF BUSINESS	STATES OF OPERATION
All States	IA, IL, MO
Electric	IA, IL, MO
<i>Generation</i>	IA, IL, MO
Regulated	IA, IL, MO
<i>Transmission</i>	
<i>Electric Distribution</i>	IL, MO
<i>Electric Retail Sales</i>	IL, MO
Natural Gas	IL, MO
<i>Natural Gas Distribution</i>	IL, MO
<i>Natural Gas Retail Sales</i>	IL, MO

Market Data

NYSE:AEE \$73.44 0.00% \$0.00

Last (Delayed)	73.44	Volume	1,718,005
VWAP (Delayed)	73.57	Avg 3M Daily Volume	1,616,014
Open	73.74	Shares Out.	247,206,978
Previous Close	73.26		(11/6/2020)
Day High	74.25	Day Low	73.17
52 wk High	87.66	52 wk Low	58.74
Beta 3Y	NA	Float (%)	99.45
Market Cap. (\$M)	18,154.9	Inst. Ownership (%)	76.87
Total Enterprise Value (\$M)	29,091.9	Shares Sold Short	4,302,239
		Short Int/ShOut (%)	1.74
		Div. Yield (%)	2.81

Price Change



**Multiples**

**Recommended: S&P Capital IQ**

	NYSE:AEE
P/LTM EPS (x)	21.45
P/NTM EPS (x)	19.5
Price/Book (x)	2.14
Price/Tang Book (x)	2.25
TEV/Total Revenue LTM (x)	5.26
TEV/LTM EBITDA (x)	11.88
Total Debt/EBITDA (x)	4.41

**Financial Highlights**

**Recommended: S&P Capital IQ**

Period Ended	9/30/2019	9/30/2020
Total Revenue (\$000)	5,744,000	5,529,000
EBITDA (\$000)	2,332,000	2,448,000
EBIT (\$000)	1,339,000	1,376,000
Net Income (\$000)	802,000	850,000
Capital Expenditure (\$000)	(2,406,000)	(2,600,000)
Total Assets (\$000)	28,546,000	30,517,000
Total Liabilities (\$000)	20,342,000	21,886,000
Total Equity (\$000)	8,204,000	8,631,000
Cash & Short Term Investments (\$000)	20,000	6,000
Net Debt (\$000)	9,549,000	10,795,000
Book Value per Share (\$)	32.77	34.34

Return on Assets (%)	3.02	2.91
Return on Equity (%)	10.10	10.17

### Estimates

#### RECOMMENDATION

1.93 - Outperform



1-Buy

5-Sell

Target (\$): 86.00

# of Analysts: 13

	CURRENT QTR (4Q '20)	CURRENT YEAR ( '20)	NTM
EPS (\$)	0.42	3.46	3.75
Revenue (\$000)	1,395,806.40	5,998,403.81	6,097,823.20
EBITDA (\$000)	476,804.70	2,448,504.91	2,670,873.70

### Credit Ratings

AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE / LAST REVIEW DATE*	CREDIT WATCH / OUTLOOK	CREDIT WATCH / OUTLOOK DATE
S&P Global Ratings	Issuer Credit Rating (Foreign Currency LT)	BBB+	12/4/2013 / 4/9/2020*	Stable	11/29/2018

\*The date on which an issue or issuer credit rating was last formally reviewed (within a 12 month period) or the last credit rating action date. For certain dependent instruments, the last review date will only be updated in the event of a credit rating change of the linked organization.

### Transactions (Last 5 Transactions)

TRANSACTION ID	ANNOUNCEMENT DATE	TARGET / ISSUER	TYPE	TRANSACTION VALUE (\$M)	PRIMARY INDUSTRY (MI)
SPTRO2219442	10/14/2020	Ameren Corporation	Multiple Securities		NA Multi-Utilities
SPTRO2009244	5/21/2020	Ameren Corporation	Single Security	296.29	Multi-Utilities
SPTRO1931012	3/31/2020	Ameren Corporation	Non-convertible Debt	800.00	Multi-Utilities
SPTRO1744127	9/11/2019	Ameren Corporation	Non-convertible Debt	450.00	Multi-Utilities
SPTRO1656646	8/5/2019	Ameren Corporation	Follow-on	560.91	Multi-Utilities

### Latest Activity

#### News

- EXCLUSIVE** Data Dispatch: Energy outperforms other S&P 500 sectors in January - 1 day ago
- RRA RRA Regulatory Focus: Utility sector progressing on gender diversity, but experts say more work needed - 2 days ago
- RRA RRA Regulatory Focus: Utility regulators tackle blitz of non-rate case activity - 2 days ago
- RRA RRA Regulatory Focus: Commissioner developments, rate case activity dominate January regulatory sector - 6 days ago
- RRA RRA Regulatory Focus: Energy measures put on back burner in 2020 as over 600 bills failed to advance - 7 days ago

#### Documents and Transcripts

10-K 2/28/2020

10-Q 11/5/2020

Investor Presentation (IP)	1/14/2021
10-Q	11/5/2020
Transcript (Audio Transcript)	11/5/2020
Transcript (Earnings Call)	11/5/2020
Investor Presentation (EP)	11/5/2020
Earnings Release (ER)	11/4/2020
Transcript (Company Conference Presentation)	10/27/2020
Transcript (Shareholder or Analyst Call)	5/7/2020
Proxy (DEFA14A)	4/28/2020
Proxy (PX14A6G)	4/3/2020

### Key Developments

Ameren Corporation Presents at Evercore ISI Conference, Jan-14-2021	Company Conference Presentation	1/14/2021
Ameren Missouri Continues to Expand Clean Energy with Acquisition of Second Wind Energy Generation Facility	Business Expansion	1/14/2021
Evercore Inc., Evercore ISI Conference, Jan 14, 2021 through Jan 15, 2021	Conference	1/14/2021
Union Electric Company acquired Atchison Renewable Energy Center.	M&A: Transaction Closing	1/14/2021
Ameren Transmission Company of Illinois Completes Its Largest Transmission Line Project	Product-related Announcement	1/6/2021

### Events

#### Upcoming Events

Earnings Release Date, Estimated	2/18/2021
Earnings Call	2/19/2021

#### Recent Events

Company Conference Presentation	1/14/2021
Company Conference Presentation	12/17/2020
Ex-Dividend Date, Regular	12/8/2020

### RRA Research Reports

#### Regulatory Focus

- RRA Research Notes
- Rate Case History
- Commission Profiles

S&P Credit Ratings and Research provided by **S&P Global Ratings**

Branches are sourced from disclosed branch addresses which in aggregate may differ from totals reported in financial statements and other company documents.

States of operation are included for U.S. companies actively covered in the S&P Global Market Intelligence platform and with the following operations: generation (regulated or merchant), electric distribution, electric retail sales, natural gas distribution, natural gas retail sales, coal mining, coal processing, or coal sales. Lines of business details are available for electric transmission and Canadian generation. Coverage may not be inclusive of the institution's complete organizational structure and lines of business.

Intraday data is available for certain exchanges. In all cases, the data is at least 15 minutes delayed.

Historical Equity Pricing Data supplied by Interactive Data Pricing and Reference Data LLC



**S&P Global**  
Market Intelligence  
Ameren Corporation | Credit Ratings

NYSE.AEE, BOVESPA:A1EE34 (MI KEY 4007308; SPCIQ KEY 373264)

**BBB+**

**S&P Global Ratings**

Issuer Credit Rating (Foreign Currency LT)

12/4/2013

Outlook: Stable

11/29/2018

**Current Ratings**

**S&P GLOBAL RATINGS (S&P Entity Name: Ameren Corp.)**

RATING TYPE	RATING	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	ACTION	CREDITWATCH/ OUTLOOK	CREDITWATCH/ OUTLOOK DATE
<b>Issuer Credit Rating</b>							
Local Currency LT	BBB+	12/4/2013	4/9/2020	BBB+	CreditWatch/Outlook	Stable	11/29/2018
Local Currency ST	A-2	3/14/2013	4/9/2020	A-3	Upgrade		
Foreign Currency LT	BBB+	12/4/2013	4/9/2020	BBB+	CreditWatch/Outlook	Stable	11/29/2018
Foreign Currency ST	A-2	3/14/2013	4/9/2020	A-3	Upgrade		

**Subsidiaries**

SUBSIDIARY	AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	CREDITWATCH / OUTLOOK	CREDITWATCH / OUTLOOK DATE
Ameren Illinois Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	BBB+	12/4/2013	4/9/2020	BBB+	Stable	11/29/2018
Central Illinois Light Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	12/27/2010		BBB-	NR	12/27/2010
Illinois Power Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	12/27/2010		BBB-	NR	12/27/2010
Illinois Power Financing I	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	11/4/1998		BBB-	NR	11/4/1998
Missouri Power & Light Company	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	9/26/2000		AA-	NR	9/26/2000
Union Electric Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	BBB+	12/4/2013	4/9/2020	BBB+	Stable	11/29/2018

**Market Intelligence News**

HEADLINE	DATE
"[U.S.] investor-owned utilities will likely face higher underfunded pension liabilities as a result of the market turmoil caused by the coronavirus outbreak," Moody's analysts wrote in an April 16 report Coronavirus could increase US utilities' pension liabilities – Moody's	4/17/2020 10:44:00 AM CT
"You have a variety of players who are interested, whether it be infrastructure players or whether it be traditional utility companies or utility holding companies," Glenrock Associates analyst Paul Patterson said. Every strategic review could be setting up utility for M&A	3/11/2020 7:44:00 AM CT
After falling dramatically along with the broader sell-off on March 9, U.S. utility stocks rallied on March 10 before ending the day mixed. US utilities still offer shelter in turbulent market, analysts say	3/10/2020 4:06:00 PM CT
"We think that the economics make sense that the utilities in general should be pursuing this just because it seems to benefit everybody," Morgan Stanley analyst Stephen Byrd said in a Feb. 11 phone interview Morgan Stanley: \$64B capex upside for utilities replacing coal with renewables	2/18/2020 8 16:00 AM CT

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NASDAQGS:AEP, BOVESPA:A1EP34 (MI Key: 4006321; SPCIQ Key: 135470)

**Corporate Data**

**Company Data**

Status	Operating
Primary Industry (MI)	Electric Utilities
LEI	1B4S6S7G0TW5EE83BO58
Date Established	12/20/1906
Power Plants	107
SIC Code	4911

**Contact**

Headquarters	One Riverside Plaza Columbus, OH 43215 USA
Phone	(614) 716-1000
Web Address	www.aep.com

**Company Description**

American Electric Power, based in Columbus, Ohio, is focused on building a smarter energy infrastructure and delivering new technologies and custom energy solutions to our customers. AEP's approximately 17,400 employees operate and maintain the nation's largest electricity transmission system and more than 221,000 miles of distribution lines to efficiently deliver safe, reliable power to nearly 5.5 million regulated customers in 11 states. AEP also is one of the nation's largest electricity producers with approximately 30,000 megawatts of diverse generating capacity, including more than 5,300 megawatts of renewable energy. AEP's family of companies includes utilities AEP Ohio, AEP Texas, Appalachian Power (in Virginia and West Virginia), AEP Appalachian Power (in Tennessee), Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana, east Texas and the Texas Panhandle). AEP also owns AEP Energy, AEP Energy Partners, AEP OnSite Partners, and AEP Renewables, which provide innovative competitive energy solutions nationwide. For more information, visit aep.com.

As of Date: 10/22/2020

**Officers & Directors**

Chairman, President & CEO	Nicholas K. "Nick" Akins
Executive VP & CFO	Julia A. "Julie" Sloat
Executive VP & COO	Lisa M. Barton
Senior VP, Controller & Chief Accounting Officer	Joseph M. Buonaiuto
Head of Investor Relations	Darcy Reese

**Industry Details (MI)**

Energy and Utilities

Utilities

**Electric Utilities**

- Electric Power Generation By Fossil Fuels
- Electric Power Generation By Nuclear Fuels
- Electric Power Transmission and Control
- Electric Power Distribution

Renewable Electricity

Hydroelectric Power Generation

Electric Power By Solar Energy

Electric Power By Wind Energy

Industrials

Transportation

Marine

Marine Transportation Of Freight

**Lines of Business**

**LINES OF BUSINESS**

**STATES OF OPERATION**

**All States**

AR, CA, CO, FL, HI, IN, KS, KY, LA, MI, MN, NM, NV, NY, OH, OK, PA, TN, TX, UT, VA, WV

**Electric**

AR, CA, CO, FL, HI, IN, KS, KY, LA, MI, MN, NM, NV, NY, OH, OK, PA, TN, TX, UT, VA, WV

**Generation**

AR, CA, CO, FL, HI, IN, KS, KY, LA, MI, MN, NM, NV, NY, OH, OK, PA, TX, UT, VA, WV

Regulated

AR, IN, KY, LA, MI, OH, OK, TX, VA, WV

IPP/Merchant

CA, CO, FL, HI, IN, KS, MI, MN, NM, NV, NY, OH, PA, TX, UT

**Transmission**

**Electric Distribution**

AR, IN, KY, LA, MI, OH, OK, TN, TX, VA, WV

**Electric Retail Sales**

AR, IN, KY, LA, MI, OH, OK, TN, TX, VA, WV

**Coal**

LA

**Mining**

LA

**Sales**

LA

**Supply Chain Intelligence (Last 2 Years)**

Total Shipments	1
Trading Partners: Companies	1
Trading Partners: Countries	1
Products Shipped and Received (kg)	2

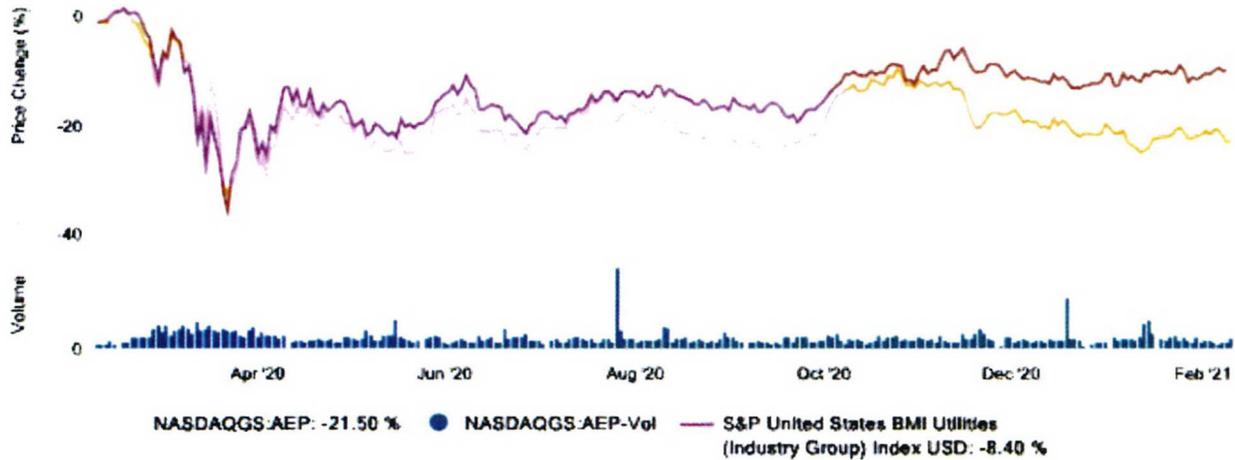
**Market Data**

**NASDAQGS:AEP \$80.01 0.00% \$0.00**

<b>Last (Delayed)</b>	80.01	<b>Volume</b>	2,766,333
<b>VWAP (Delayed)</b>	79.93	<b>Avg 3M Daily Volume</b>	2,985,754
<b>Open</b>	79.99	<b>Shares Out.</b>	496,389,534
<b>Previous Close</b>	79.84		(11/9/2020)
<b>Day High</b>	80.45	<b>Day Low</b>	79.44
<b>52 wk High</b>	104.63	<b>52 wk Low</b>	65.14
<b>Beta 3Y</b>	NA	<b>Float (%)</b>	99.90
<b>Market Cap. (\$M)</b>	39,716.1	<b>Inst. Ownership (%)</b>	76.24
<b>Total Enterprise Value (\$M)</b>	73,038.7	<b>Shares Sold Short</b>	6,538,186

Short Int/ShOut (%)	1.32
Div. Yield (%)	3.70

**Price Change**



**Multiples**

**Recommended: S&P Capital IQ**

	NASDAQGS:AEP
P/LTM EPS (x)	20.72
P/NTM EPS (x)	17.7
Price/Book (x)	1.95
Price/Tang Book (x)	1.95
TEV/Total Revenue LTM (x)	4.88
TEV/LTM EBITDA (x)	12.58
Total Debt/EBITDA (x)	5.86

**Financial Highlights**

**Recommended: S&P Capital IQ**

Period Ended	9/30/2019	9/30/2020
Total Revenue (\$000)	15,746,500	14,923,900
EBITDA (\$000)	5,249,400	5,398,900
EBIT (\$000)	3,003,500	2,987,800
Net Income (\$000)	2,131,000	1,918,100
Capital Expenditure (\$000)	(6,070,400)	(6,474,600)
Total Assets (\$000)	73,900,700	78,689,300

Total Liabilities (\$000)	53,835,700	58,054,700
Total Equity (\$000)	20,065,000	20,634,600
Cash & Short Term Investments (\$000)	547,200	618,700
Net Debt (\$000)	29,189,300	32,772,400
Book Value per Share (\$)	39.92	41.03
Return on Assets (%)	2.65	2.45
Return on Equity (%)	10.88	9.41

**Estimates**

RECOMMENDATION

2.05 - Outperform



1-Buy

5-Sell

Target (\$) 93.53

# of Analysts 18

	CURRENT QTR (4Q '20)	CURRENT YEAR ( '20)	NTM
EPS (\$)	0.79	4.34	4.52
Revenue (\$000)	3,965,034.84	15,723,559.54	17,308,607.60
EBITDA (\$000)	1,413,346.89	5,993,922.61	6,225,260.50

**Credit Ratings**

AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE / LAST REVIEW DATE*	CREDIT WATCH / OUTLOOK	CREDIT WATCH / OUTLOOK DATE
S&P Global Ratings	Issuer Credit Rating (Foreign Currency LT)	A-	2/2/2017 / 9/21/2020*	Stable	2/2/2017

\*The date on which an issue or issuer credit rating was last formally reviewed (within a 12 month period) or the last credit rating action date. For certain dependent instruments, the last review date will only be updated in the event of a credit rating change of the linked organization.

**Transactions (Last 5 Transactions)**

TRANSACTION ID	ANNOUNCEMENT DATE	TARGET / ISSUER	BUYER / INVESTOR	SELLER	TYPE	TRANSACTION VALUE (\$M)	PRIMARY INDUSTRY (MI)
SPTRD1803180	2/9/2021	Racine Plant	Eagle Creek Renewable Energy, LLC	American Electric Power Company, Inc.	Acquisition of Asset or Branch		NA Renewable Electricity
SPTRO2251315	11/18/2020	American Electric Power Company, Inc.	NA	NA	Non-convertible Debt	600.00	Electric Utilities
SPTRO2251308	11/18/2020	American Electric Power Company, Inc.	NA	NA	Non-convertible Debt	450.00	Electric Utilities
SPTRO2251313	11/18/2020	American Electric Power Company, Inc.	NA	NA	Non-convertible Debt	450.00	Electric Utilities
SPTRO2250354	11/16/2020	American Electric Power Company, Inc.	NA	NA	Follow-on	905.70	Electric Utilities

Latest Activity

News

- RRA RRA Regulatory Focus: Louisiana PSC elects new leadership - 37 minutes ago
- RRA RRA Regulatory Focus: Virginia House of Delegates to consider energy transition bills - 1 hour ago
- EXCLUSIVE Data Dispatch: Electric utilities kick off 2021 with \$1.35B debt issue in January - 11 hours ago
- AEP to sell hydro facility in Ohio as part of exit from competitive generation - 22 hours ago
- RRA RRA Regulatory Focus: Virginia General Assembly affirms Northam's choices for utility commission - 1 day ago

Documents and Transcripts

	10-K 2/20/2020	10-Q 10/22/2020
Investor Presentation (IP)		1/16/2021
Earnings Release (ER)		11/6/2020
10-Q		10/22/2020
Transcript (Audio Transcript)		10/22/2020
Transcript (Earnings Call)		10/22/2020
Investor Presentation (EP)		10/22/2020
Financial Supplement (FIN SUPP)		10/22/2020
Transcript (Shareholder or Analyst Call)		4/21/2020
Proxy (DEFA14A)		4/1/2020
Proxy (DEF 14A)		3/11/2020

Key Developments

American Electric Power Company, Inc., \$ 0.74, Cash Dividend, Feb-09-2021	Ex-Dividend Date, Regular	2/9/2021
Eagle Creek Renewable Energy, LLC agreed to acquire 48 MW Hydroelectric Racine Plant in Racine, Ohio from AEP Generation Resources Inc.	M&A: Transaction Announcement	2/9/2021
American Electric Power Names Amanda Riggs Conner Vice President – FERC and RTO Strategy & Policy, Effective Jan. 30, 2021	Other Executive or Board Change	1/28/2021
American Electric Power Company, Inc. Presents at UBS Winter Infrastructure & Energy Virtual Conference, Jan-12-2021 08:00 AM	Company Conference Presentation	1/12/2021
UBS Investment Bank, UBS Winter Infrastructure & Energy Virtual Conference, Jan 12, 2021 through Jan 13, 2021	Conference	1/12/2021

Events

Upcoming Events

Company Conference Presentation	3/1/2021
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Recent Events

Ex-Dividend Date, Regular	2/9/2021
Company Conference Presentation	1/12/2021
Company Conference Presentation	12/10/2020

**RRA Research Reports**

**Regulatory Focus**

RRA Research Notes

Rate Case History

Commission Profiles

S&P Credit Ratings and Research provided by **S&P Global**  
Ratings

Branches are sourced from disclosed branch addresses which in aggregate may differ from totals reported in financial statements and other company documents.

States of operation are included for U.S. companies actively covered in the S&P Global Market Intelligence platform and with the following operations: generation (regulated or merchant), electric distribution, electric retail sales, natural gas distribution, natural gas retail sales, coal mining, coal processing, or coal sales. Lines of business details are available for electric transmission and Canadian generation. Coverage may not be inclusive of the institution's complete organizational structure and lines of business.

Intraday data is available for certain exchanges. In all cases, the data is at least 15 minutes delayed.

Historical Equity Pricing Data supplied by Interactive Data Pricing and Reference Data LLC



**S&P Global**  
**Market Intelligence**  
**American Electric Power Company, Inc. | Credit Ratings**

NASDAQGS:AEP, BOVESPA:A1EP34 (MI KEY: 4008321, SPCIQ KEY: 135470)

**A-**

**S&P Global Ratings**

Issuer Credit Rating (Foreign Currency LT)

2/2/2017

Outlook: Stable

2/2/2017

**Current Ratings**

S&P GLOBAL RATINGS (S&P Entity Name: American Electric Power Co., Inc.)

RATING TYPE	RATING	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	ACTION	CREDITWATCH/ OUTLOOK	CREDITWATCH/ OUTLOOK DATE
<b>Issuer Credit Rating</b>							
Local Currency LT	A-	2/2/2017	9/21/2020	BBB+	Upgrade   CreditWatch/Outlook	Stable	2/2/2017
Local Currency ST	A-2	6/15/2000	9/21/2020	A-2	CreditWatch/Outlook	NM	3/7/2003
Foreign Currency LT	A-	2/2/2017	9/21/2020	BBB+	Upgrade   CreditWatch/Outlook	Stable	2/2/2017
Foreign Currency ST	A-2	6/15/2000	9/21/2020	A-2	CreditWatch/Outlook	NM	3/7/2003

**Subsidiaries**

SUBSIDIARY	AGENCY	DEBT TYPE (RATING TYPE)	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	CREDITWATCH / OUTLOOK	CREDITWATCH / OUTLOOK DATE
AEP Generating Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	7/26/2019	9/21/2020	New Stable	7/26/2019
AEP Texas Central Co	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	1/4/2017	BBB+	NR	1/4/2017
AEP Texas Inc.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	2/2/2017	9/21/2020	BBB+ Stable	2/2/2017
AEP Texas North Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	1/4/2017	BBB+	NR	1/4/2017
AEP Transmission Company, LLC	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	2/2/2017	9/21/2020	BBB+ Stable	2/2/2017
Appalachian Power Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	2/2/2017	9/21/2020	BBB+ Stable	2/2/2017
Columbus Southern Power Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	3/2/2012	12/7/2012	BBB NR	3/2/2012
CSW Energy Inc	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	9/16/2003	BBB-	NR	9/16/2003
Indiana Michigan Power Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	2/2/2017	9/21/2020	BBB+ Stable	2/2/2017
Kentucky Power Co	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	2/2/2017	9/21/2020	BBB+ Stable	2/2/2017
Ohio Power Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	2/2/2017	9/21/2020	BBB+ Stable	2/2/2017
Public Service Co of Oklahoma	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	2/2/2017	9/21/2020	BBB+ Stable	2/2/2017
RGS Aegco Funding Corp.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	2/2/2017	9/21/2020	BBB+ Stable	2/2/2017
RGS I&M Funding Corp.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	2/2/2017	9/21/2020	BBB+ Stable	2/2/2017
Southwestern Electric Power Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	2/2/2017	9/21/2020	BBB+ Stable	2/2/2017
Wheeling Power Co	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	2/2/2017	9/21/2020	BBB+ Stable	2/2/2017

**Market Intelligence News**

HEADLINE	DATE
Report sees only 26% reduction in statewide emissions from Va. clean energy law The Virginia Clean Economy Act requires the state's investor-owned utilities to pivot	12/9/2020 1:21:00 PM CT

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NYSE:CMS, BOVESPA:C1MS34 (MI Key: 4004172; SPCIQ Key: 257682)

**Corporate Data**

**Company Data**

Status	Operating
Primary Industry (MI)	Multi-Utilities
LEI	549300IA9XFBAGNIBW29
Power Plants	38
SIC Code	4931 - Electric and Other Services Combined

**Contact**

Headquarters	One Energy Plaza Jackson, MI 49201 USA
Phone	(517) 788-0550
Web Address	www.cmsenergy.com

**Company Description**

CMS Energy (NYSE: CMS) is a Michigan-based company that has an electric and natural gas utility, Consumers Energy, as its primary business.

As of Date: 2/4/2021

**Officers & Directors**

Chairman of the Board	John G. Russell
President, CEO & Director	Garrick J. Rochow
Executive VP & CFO	Rejji P. Hayes
Senior Vice President of Operations	LeeRoy Wells Jr.
Head of Investor Relations	Srikanth Maddipati

**Industry Details (MI)**

Financials
Specialty Finance
Specialty Finance: Consumer Focused
Installment Sales Financing
Energy and Utilities
Utilities
Electric Utilities
Electric Power Generation By Fossil Fuels
Electric Power Generation By Nuclear Fuels
Electric Power Transmission and Control
Electric Power Distribution
Gas Utilities

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Market Intelligence  
CMS Energy Corporation | Public Company

Oil and Gas Distribution

Natural Gas Transmission

Multi-Utilities

Independent Power Producers and Energy Traders

Renewable Electricity

Alternative Energy Resources

**Lines of Business**

LINES OF BUSINESS	STATES OF OPERATION
All States	MI, NC, OH, WI
Electric	MI, NC, OH, WI
<i>Generation</i>	MI, NC, OH, WI
Regulated	MI
IPP/Merchant	MI, NC, OH
<i>Transmission</i>	
<i>Electric Distribution</i>	MI
<i>Electric Retail Sales</i>	MI
Natural Gas	MI
<i>Natural Gas Distribution</i>	MI
<i>Natural Gas Retail Sales</i>	MI

**Market Data**

NYSE:CMS \$56.93 0.00% \$0.00

Last (Delayed)	56.93	Volume	1,543,692
VWAP (Delayed)	56.98	Avg 3M Daily Volume	1,867,426
Open	56.92	Shares Out.	286,322,144
Previous Close	56.58		(10/29/2020)
Day High	57.38	Day Low	56.47
52 wk High	69.17	52 wk Low	46.03
Beta 3Y	NA	Float (%)	99.40
Market Cap. (\$M)	16,300.3	Inst. Ownership (%)	93.24
Total Enterprise Value (\$M)	31,909.3	Shares Sold Short	3,769,006
		Short Int/ShOut (%)	1.32
		Div. Yield (%)	3.06

**Price Change**

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**Multiples**

**Recommended: S&P Capital IQ**

	NYSE:CMS
P/LTM EPS (x)	21.56
P/NTM EPS (x)	19.8
Price/Book (x)	2.96
Price/Tang Book (x)	2.96
TEV/Total Revenue LTM (x)	4.78
TEV/LTM EBITDA (x)	13.38
Total Debt/EBITDA (x)	6.37

**Financial Highlights**

**Recommended: S&P Capital IQ**

Period Ended	12/31/2019	12/31/2020
Total Revenue (\$000)	6,845,000	6,680,000
EBITDA (\$000)	2,175,000	2,384,666
EBIT (\$000)	1,330,000	1,362,000
Net Income (\$000)	680,000	755,000
Capital Expenditure (\$000)	(2,104,000)	NA
Total Assets (\$000)	26,837,000	29,666,000
Total Liabilities (\$000)	21,782,000	23,589,000
Total Equity (\$000)	5,055,000	6,077,000
Cash & Short Term Investments (\$000)	140,000	168,000
Net Debt (\$000)	13,153,000	15,028,000
Book Value per Share (\$)	17.68	19.24

**S&P Global**  
Market Intelligence  
CMS Energy Corporation | Public Company

Return on Assets (%)	3.24	3.01
Return on Equity (%)	13.85	13.51

**Estimates**

RECOMMENDATION

2.40 - Outperform

1-Buy

5-Sell

Target (\$): 64.53

# of Analysts: 19

	CURRENT QTR (1Q '21)	CURRENT YEAR ( '21)	NTM
EPS (\$)	0.96	2.85	2.85
Revenue (\$000)	2,013,093.98	7,070,524.58	7,070,524.58
EBITDA (\$000)	764,945.10	2,615,560.89	2,615,560.89

**Credit Ratings**

AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE / LAST REVIEW DATE*	CREDIT WATCH / OUTLOOK	CREDIT WATCH / OUTLOOK DATE
S&P Global Ratings	Issuer Credit Rating (Foreign Currency LT)	BBB+	12/3/2014 / 10/26/2020*	Stable	12/3/2014

\*The date on which an issue or issuer credit rating was last formally reviewed (within a 12 month period) or the last credit rating action date. For certain dependent instruments, the last review date will only be updated in the event of a credit rating change of the linked organization.

**Transactions (Last 5 Transactions)**

TRANSACTION ID	ANNOUNCEMENT DATE	TARGET / ISSUER	TYPE	TRANSACTION VALUE (\$M)	PRIMARY INDUSTRY (MI)
SPTRO2251786	11/19/2020	CMS Energy Corporation	Non-convertible Debt	400.00	Multi-Utilities
SPTRO2241196	10/23/2020	CMS Energy Corporation	Single Security	131.50	Multi-Utilities
SPTRO2243632	9/15/2020	CMS Energy Corporation	Follow-on	51.70	Multi-Utilities
SPTRO2022064	6/1/2020	CMS Energy Corporation	Single Security	380.77	Multi-Utilities
SPTRO2003799	5/15/2020	CMS Energy Corporation	Non-convertible Debt	500.00	Multi-Utilities

**Latest Activity**

**News**

- EXCLUSIVE Data Dispatch: Energy outperforms other S&P 500 sectors in January - 1 day ago
- RRA RRA Regulatory Focus: Utility sector progressing on gender diversity, but experts say more work needed - 2 days ago
- RRA RRA Regulatory Focus: Utility regulators tackle blitz of non-rate case activity - 2 days ago
- EXTRA CMS eyes more wind, solar as it pursues net-zero emissions reduction target - 5 days ago
- RRA RRA Regulatory Focus: Commissioner developments, rate case activity dominate January regulatory sector - 6 days ago

**Documents and Transcripts**

10-Q 10/29/2020

Transcript (Audio Transcript)	2/4/2021
Transcript (Earnings Call)	2/4/2021
Investor Presentation (EP)	2/4/2021
Earnings Release (ER)	2/4/2021
Investor Presentation (IP)	1/11/2021
Financial Supplement (FIN SUPP)	12/31/2020
10-Q	10/29/2020
Transcript (Shareholder or Analyst Call)	5/1/2020
Proxy (DEFA14A)	4/13/2020
Proxy (DEF 14A)	3/19/2020

**Key Developments**

Cms Energy Corporation Reports Earnings Results for the Fourth Quarter Ended December 31, 2020	Announcement of Earnings	2/4/2021
CMS Energy Corporation, \$ 0.435, Cash Dividend, Feb-04-2021	Ex-Dividend Date, Regular	2/4/2021
CMS Energy Corporation, Q4 2020 Earnings Call, Feb 04, 2021	Earnings Call	2/4/2021
CMS Energy Names Christine Wisniewski as Vice President of Operations Performance, with Effect from February 01, 2021	Other Executive or Board Change	1/26/2021
CMS Energy Increases Quarterly Dividend, Payable on February 26, 2021	Dividend Increase	1/21/2021

**Events**

**Upcoming Events**

Company Conference Presentation	3/1/2021
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**Recent Events**

Earnings Call	2/4/2021
Ex-Dividend Date, Regular	2/4/2021
Ex-Dividend Date, Regular	11/5/2020

**RRA Research Reports**

**Regulatory Focus**

- RRA Research Notes
- Rate Case History
- Commission Profiles

S&P Credit Ratings and Research provided by **S&P Global Ratings**

Branches are sourced from disclosed branch addresses which in aggregate may differ from totals reported in financial statements and other company documents.

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Market Intelligence  
CMS Energy Corporation | Public Company

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States of operation are included for U.S. companies actively covered in the S&P Global Market Intelligence platform and with the following operations: generation (regulated or merchant), electric distribution, electric retail sales, natural gas distribution, natural gas retail sales, coal mining, coal processing, or coal sales. Lines of business details are available for electric transmission and Canadian generation. Coverage may not be inclusive of the institution's complete organizational structure and lines of business.

Intraday data is available for certain exchanges. In all cases, the data is at least 15 minutes delayed.

Historical Equity Pricing Data supplied by Interactive Data Pricing and Reference Data LLC



NYSE:CMS, BOVESPA:C1MS34 (MI KEY: 4004172, SPCIQ KEY: 257682)

# BBB+

## S&P Global Ratings

Issuer Credit Rating (Foreign Currency LT)

12/3/2014

Outlook: Stable

12/3/2014

### Current Ratings

#### S&P GLOBAL RATINGS (S&P Entity Name:CMS Energy Corp.)

RATING TYPE	RATING	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	ACTION	CREDITWATCH/ OUTLOOK	CREDITWATCH/ OUTLOOK DATE
<b>Issuer Credit Rating</b>							
Local Currency LT	BBB+	12/3/2014	10/26/2020	BBB	Upgrade   CreditWatch/Outlook	Stable	12/3/2014
Local Currency ST	A-2	3/18/2013	10/26/2020	A-3	Upgrade		
Foreign Currency LT	BBB+	12/3/2014	10/26/2020	BBB	Upgrade   CreditWatch/Outlook	Stable	12/3/2014
Foreign Currency ST	A-2	3/18/2013	10/26/2020	A-3	Upgrade		

### Subsidiaries

SUBSIDIARY	AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	CREDITWATCH / OUTLOOK	CREDITWATCH / OUTLOOK DATE
CMS Energy Michigan L.P.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	12/3/2014		BBB	NR	12/3/2014
Consumers Energy Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	10/30/2019	10/26/2020	BBB+	Stable	10/30/2019
Consumers Power Company Financing I	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	12/3/2014		BBB	NR	12/3/2014

### Market Intelligence News

HEADLINE	DATE
Warm weather, residential power sales help utilities offset demand declines While major questions about public health and the strength of the economy loom over the second half of 2020, even those utilities that experienced large demand declines in April saw power sales improve in subsequent months.	8/4/2020 11:06:00 AM CT
All the ratings were affirmed, including the Baa1 senior unsecured rating of CMS Energy and the Aa3 senior secured and Prime-1 short-term commercial paper ratings of Consumers Energy. Moody's lowers outlook on CMS, Consumers Energy to negative	7/2/2020 3:48:00 PM CT
CreditSights downgrades Duke Energy bonds to 'underperform' CreditSights on April 16 downgraded Duke Energy's holding company bonds to "underperform" based mostly on valuation but also on potential Atlantic Coast pipeline and coal ash recovery concerns.	4/16/2020 11:16:00 AM CT
Customer mix, regulatory support critical to how US utilities manage demand drop Dominion Energy and Entergy are among the US utilities that look "relatively insulated" from a drop in reduced commercial and industrial demand, according to Scotia Capital (USA) Inc. analyst Andrew Weisel.	4/2/2020 3:45:00 PM CT
As uncertainty grows about the global impact of the new coronavirus, U.S. utility stocks' high quality and defensiveness appear to position them favorably compared to other industries, Scotia Capital (USA) equity analyst Andrew Weisel said. Coronavirus could benefit US utility stocks, analyst says	2/27/2020 9:23:00 AM CT

S&P Credit Ratings and Research provided by **S&P Global** Ratings

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'Last Review Date' indicates the date on which an Issue/Issuer Credit Rating was last formally reviewed within a twelve-month period or when a Credit Rating Action was last published. For certain dependent instruments, the 'Last Review Date' will only be updated in the event of a Credit Rating change of the linked organization

Latest S&P Ratings available unless you are a subscriber of S&P Ratings history

NYSE:CNP, BOVESPA:C1NP34 (MI Key: 4074390; SPCIQ Key: 279513)

A live transcript feed will be available for Q4 Earnings Conference Call

**Corporate Data****Company Data**

Status	Operating
Primary Industry (MI)	Multi-Utilities
LEI	21TPXMRRHFKOBHDC8J74
Date Established	08/31/2002
Power Plants	16
SIC Code	4911

**Contact**

<b>Headquarters</b>	1111 Louisiana Street Houston, TX 77002 USA
<b>Phone</b>	(713) 207-1111
<b>Web Address</b>	www.centerpointenergy.com

**Company Description**

As the only investor owned electric and gas utility based in Texas, CenterPoint Energy, Inc. (NYSE: CNP) is an energy delivery company with electric transmission and distribution, power generation and natural gas distribution operations that serve more than 7 million metered customers in Arkansas, Indiana, Louisiana, Minnesota, Mississippi, Ohio, Oklahoma and Texas. As of September 30, 2020, the company owned approximately \$33 billion in assets and also owned 53.7 percent of the common units representing limited partner interests in Enable Midstream Partners, LP, a publicly traded master limited partnership that owns, operates and develops strategically located natural gas and crude oil infrastructure assets. With approximately 9,600 employees, CenterPoint Energy and its predecessor companies have been in business for more than 150 years. For more information, visit CenterPointEnergy.com.

As of Date: 11/5/2020

**Officers & Directors**

Executive Chairman of the Board	Milton Carroll
President, CEO & Director	David John "Dave" Lesar
Executive VP & CFO	Jason P. Wells
Senior VP & Chief Accounting Officer	Kristie L. Colvin
Head of Investor Relations	Philip Holder

**Industry Details (MI)**

Energy and Utilities
Oil, Gas and Coal
Oil and Gas Refining and Marketing
Oil and Gas Storage and Transportation
Natural Gas Pipelines
Utilities
Electric Utilities

**S&P Global**  
**Market Intelligence**  
**CenterPoint Energy, Inc. | Public Company**

- Electric Power Transmission and Control
- Electric Power Distribution
- Gas Utilities
  - Oil and Gas Distribution
- Multi-Utilities**
- Industrials
  - Capital Goods
  - Trading Companies and Distributors
  - Machinery Distribution
  - Industrial Heating, Ventilation, Air Conditioning, and Refrigeration Equipment Distribution

**Lines of Business**

LINES OF BUSINESS	STATES OF OPERATION
<b>All States</b>	AL, AR, GA, IL, IN, LA, MN, MO, MS, OH, OK, TN, TX, WI
<b>Electric</b>	GA, IN, OH, TN, WI
<i>Generation</i>	GA, IN, OH, TN, WI
Regulated	IN, OH
IPP/Merchant	GA, IN, TN, WI
<i>Transmission</i>	
<b>Natural Gas</b>	AL, AR, IL, LA, MN, MO, MS, OK, TX
<i>Natural Gas Distribution</i>	AL, AR, IL, LA, MN, MO, MS, OK, TX
<i>Natural Gas Retail Sales</i>	AR, LA, MN, MS, OK, TX

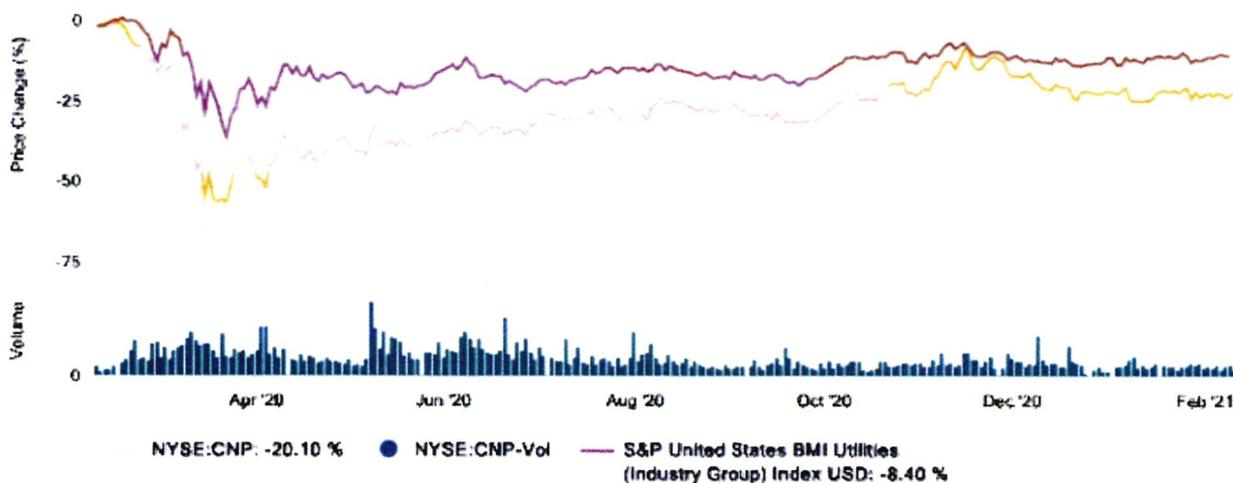
**Market Data**

**NYSE:CNP \$21.46 0.00% \$0.00**

Last (Delayed)	21.46	Volume	2,559,967
VWAP (Delayed)	21.42	Avg 3M Daily Volume	4,891,673
Open	21.41	Shares Out.	544,821,120
Previous Close	21.28		(11/5/2020)
Day High	21.56	Day Low	21.27
52 wk High	27.53	52 wk Low	11.58
Beta 3Y	NA	Float (%)	99.73
Market Cap. (\$M)	11,691.9	Inst. Ownership (%)	96.94
Total Enterprise Value (\$M)	27,330.4	Shares Sold Short	16,798,374
		Short Int/ShOut (%)	3.08
		Div. Yield (%)	2.98

**Price Change**

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## Multiples

### Recommended: S&P Capital IQ

	NYSE:CNP
P/LTM EPS (x)	NM
P/NTM EPS (x)	16.6
Price/Book (x)	1.97
Price/Tang Book (x)	9.88
TEV/Total Revenue LTM (x)	2.18
TEV/LTM EBITDA (x)	19.42
Total Debt/EBITDA (x)	4.69

## Financial Highlights

### Recommended: S&P Capital IQ

Period Ended	9/30/2019	9/30/2020
Total Revenue (\$000)	8,581,000	12,120,000
EBITDA (\$000)	2,144,000	2,843,000
EBIT (\$000)	916,000	1,578,000
Net Income (\$000)	754,000	(816,000)
Capital Expenditure (\$000)	(2,352,000)	(2,573,000)
Total Assets (\$000)	34,642,000	32,705,000
Total Liabilities (\$000)	26,296,000	24,317,000
Total Equity (\$000)	8,346,000	8,388,000
Cash & Short Term Investments (\$000)	1,055,000	1,065,000
Net Debt (\$000)	13,894,000	12,280,000
Book Value per Share (\$)	13.15	10.89

Return on Assets (%)	2.01	2.93
Return on Equity (%)	9.60	(6.51)

### Estimates

#### RECOMMENDATION

2.06 - Outperform



1-Buy

5-Sell

Target (\$): 25.00

# of Analysts: 17

	CURRENT QTR (4Q '20)	CURRENT YEAR ( '20)	NTM
EPS (\$)	0.22	1.33	1.28
Revenue (\$000)	2,008,984.26	7,620,558.91	7,605,566.90
EBITDA (\$000)	610,663.90	2,690,262.33	2,634,737.80

### Credit Ratings

AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE / LAST REVIEW DATE*	CREDIT WATCH / OUTLOOK	CREDIT WATCH / OUTLOOK DATE
S&P Global Ratings	Issuer Credit Rating (Foreign Currency LT)	BBB+	2/1/2019 / 4/2/2020*	Negative	4/2/2020

\*The date on which an issue or issuer credit rating was last formally reviewed (within a 12 month period) or the last credit rating action date. For certain dependent instruments, the last review date will only be updated in the event of a credit rating change of the linked organization.

### Transactions (Last 5 Transactions)

TRANSACTION ID	ANNOUNCEMENT DATE	TARGET / ISSUER	TYPE	TRANSACTION VALUE (\$M)	PRIMARY INDUSTRY (MI)
SPTR02012974	6/1/2020	CenterPoint Energy, Inc.*	Single Security	978.16	Multi-Utilities
SPTR02021816	5/29/2020	CenterPoint Energy, Inc.	Single Security	6.31	Multi-Utilities
SPTR02009894	5/22/2020	CenterPoint Energy, Inc.	Multiple Securities		NA Multi-Utilities
SPTR01996824	5/7/2020	CenterPoint Energy, Inc.	Follow-on	675.00	Multi-Utilities
SPTR01996820	5/7/2020	CenterPoint Energy, Inc.	Convertible	625.00	Multi-Utilities

### Latest Activity

#### News

- RRA RRA Regulatory Focus: Louisiana PSC elects new leadership - 38 minutes ago
- EXCLUSIVE** Data Dispatch: Major gas pipelines face over 2.6 million Dth/d of expiring contracts in Q1 - 2 days ago
- RRA RRA Regulatory Focus: Utility sector progressing on gender diversity, but experts say more work needed - 2 days ago
- RRA RRA Regulatory Focus: Utility regulators tackle blitz of non-rate case activity - 2 days ago
- EXCLUSIVE** Chevron likely to sweeten Noble Midstream buyout bid, analysts say - 5 days ago

#### Documents and Transcripts

10-K 2/27/2020

10-Q 11/5/2020

Investor Presentation (IP)	12/8/2020
Transcript (Analyst or Investor Day)	12/7/2020
Transcript (Audio Transcript)	12/7/2020
10-Q	11/5/2020
Transcript (Earnings Call)	11/5/2020
Investor Presentation (EP)	11/5/2020
Earnings Release (ER)	11/5/2020
Proxy (DEF 14A)	3/13/2020
Proxy (DEFA14A)	3/13/2020
10-K	2/27/2020

**Key Developments**

CenterPoint Energy, Inc. Replaces Existing \$3.3 Billion Unsecured Revolving Credit Facility	Debt Financing	2/4/2021
Enable Midstream Partners, LP Presents at UBS Winter Infrastructure & Energy Virtual Conference, Jan-12-2021 08:00 AM	Company Conference Presentation	1/12/2021
UBS Investment Bank, UBS Winter Infrastructure & Energy Virtual Conference, Jan 12, 2021 through Jan 13, 2021	Conference	1/12/2021
CenterPoint Energy, Inc. Announces Two Senior Finance Leadership Appointments	Other Executive or Board Change	1/8/2021
CenterPoint Energy, Inc. Provides Notice of Redemption Relating to \$250,000,000 Aggregate Principal Amount 3.85% Senior Notes Due 2024	Debt Financing	12/23/2020

**Events**

**Upcoming Events**

Ex-Dividend Date, Regular	2/17/2021
Earnings Release Date, Estimated	2/24/2021
Earnings Call	2/25/2021

**Recent Events**

Company Conference Presentation	12/9/2020
Ex-Dividend Date, Regular	11/18/2020
Earnings Call	11/5/2020

**RRA Research Reports**

**Regulatory Focus**

- RRA Research Notes
- Rate Case History
- Commission Profiles

\* Indicates that the deal directly or indirectly involved a private equity investor

S&P Credit Ratings and Research provided by **S&P Global**  
Ratings

Branches are sourced from disclosed branch addresses which in aggregate may differ from totals reported in financial statements and other company documents

States of operation are included for U.S. companies actively covered in the S&P Global Market Intelligence platform and with the following operations: generation (regulated or merchant), electric distribution, electric retail sales, natural gas distribution, natural gas retail sales, coal mining, coal processing, or coal sales. Lines of business details are available for electric transmission and Canadian generation. Coverage may not be inclusive of the institution's complete organizational structure and lines of business.

Intraday data is available for certain exchanges. In all cases, the data is at least 15 minutes delayed.

Historical Equity Pricing Data supplied by Interactive Data Pricing and Reference Data LLC



S&P Global  
Market Intelligence  
CenterPoint Energy, Inc. | Credit Ratings

NYSE: CNR, BOVESPA: C1NP34 (MI KEY: 4074390; SPCIQ KEY 279513)

**BBB+**

S&P Global Ratings

Issuer Credit Rating (Foreign Currency LT)

2/1/2019

Outlook: Negative

4/2/2020

Current Ratings

S&P GLOBAL RATINGS (S&P Entity Name: CenterPoint Energy, Inc.)

RATING TYPE	RATING	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	ACTION	CREDITWATCH/ OUTLOOK	CREDITWATCH/ OUTLOOK DATE
<b>Issuer Credit Rating</b>							
Local Currency LT	BBB+	2/1/2019	4/2/2020	BBB+	CreditWatch/Outlook	Negative	4/2/2020
Local Currency ST	A-2	4/27/2010	4/2/2020	A-3	Upgrade		
Foreign Currency LT	BBB+	2/1/2019	4/2/2020	BBB+	CreditWatch/Outlook	Negative	4/2/2020
Foreign Currency ST	A-2	4/27/2010	4/2/2020	A-3	Upgrade		

Subsidiaries

SUBSIDIARY	AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	CREDITWATCH / OUTLOOK	CREDITWATCH / OUTLOOK DATE
CenterPoint Energy Houston Electric LLC	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	BBB+	2/1/2019	4/2/2020	BBB+	Negative	4/2/2020
CenterPoint Energy Resources Corp.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	BBB+	2/1/2019	6/5/2020	BBB+	Negative	4/2/2020
Enable Midstream Partners	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	BBB-	11/20/2017	4/7/2020	BBB-	Negative	4/7/2020
Enable Oklahoma Intrastate Transmission, LLC	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	BBB-	11/20/2017	4/7/2020	BBB-	Negative	4/7/2020
Indiana Gas Co. Inc.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	BBB+	2/1/2019	4/2/2020	BBB+	Negative	4/2/2020
Southeast Supply Header LLC	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	BB+	9/22/2020	9/22/2020	BBB-	Negative	9/22/2020
Southern Indiana Gas and Electric Co	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	BBB+	2/1/2019	4/2/2020	BBB+	Negative	4/2/2020
Transok Inc.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	10/4/2005		BBB+	NR	10/4/2005
Vectren Capital Corp.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	12/15/2005		A-	NR	12/15/2005
Vectren Corp	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	BBB+	2/1/2019	4/2/2020	BBB+	Negative	4/2/2020
Vectren Energy Delivery of Ohio Inc.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	11/7/2001		A-	NR	11/7/2001
Vectren Utility Holdings Inc	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	BBB+	2/1/2019	4/2/2020	BBB+	Negative	4/2/2020

Market Intelligence News

HEADLINE	DATE
Moody's revises CenterPoint Energy's outlook to stable from negative The rating agency gave CenterPoint Energy a stable outlook based on the company's corporate actions that stabilized credit metrics and enhanced liquidity.	12/3/2020 5:43:00 PM CT
Power and utility companies are "proactively looking at their business and figuring out ways that they can be more disciplined and get rid of noncore businesses," said Miles Huq, Ernst & Young LLP partner for strategy and transactions. Surge in US utility deal activity to continue at steady pace – Ernst & Young	11/25/2020 8:09:00 AM CT
"Impacts from COVID-19 have been better than expected year to date and should prove manageable from a credit perspective in Fitch's view," Fitch Ratings analyst and Senior Director Phillip Smyth said. Fitch outlines stable outlook for utilities sector in 2021 as pandemic lingers	11/11/2020 1:12:00 PM CT
CenterPoint Energy Resources Corp. earned an upgrade from Moody's after completing its transition to a pure-play regulated gas distribution system.	6/5/2020 7:56:00 AM CT

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**S&P Global**  
Market Intelligence  
CenterPoint Energy, Inc. | Credit Ratings

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HEADLINE	DATE
Moody's upgrades CenterPoint Energy Resources to A3	
CreditSights downgrades Duke Energy bonds to 'underperform' CreditSights on April 16 downgraded Duke Energy's holding company bonds to 'underperform' based mostly on valuation but also on potential Atlantic Coast pipeline and coal ash recovery concerns	4/16/2020 11:16:00 AM CT

S&P Credit Ratings and Research provided by **S&P Global**  
Ratings

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Latest S&P Ratings available unless you are a subscriber of S&P Ratings history.

NYSE:DTE, BOVESPA:D1TE34 (MI Key: 4057044; SPCIQ Key: 266598)

A live transcript feed will be available for Q4 Earnings Conference Call

**Corporate Data**

**Company Data**

Status	Operating
Primary Industry (MI)	Multi-Utilities
LEI	549300IX8SD6XXD71I78
Date Established	12/13/1995
Power Plants	68
SIC Code	4931 - Electric and Other Services Combined

**Contact**

<b>Headquarters</b>	One Energy Plaza Detroit, MI 48226 USA
<b>Phone</b>	(313) 235-4000
<b>Web Address</b>	www.dteenergy.com

**Company Description**

DTE Energy (NYSE: DTE) is a Detroit-based diversified energy company involved in the development and management of energy-related businesses and services nationwide. Its operating units include an electric company serving 2.2 million customers in Southeast Michigan and a natural gas company serving 1.3 million customers in Michigan. The DTE portfolio includes energy businesses focused on power and industrial projects; renewable natural gas; natural gas pipelines, gathering and storage; and energy marketing and trading. As an environmental leader, DTE utility operations will reduce carbon dioxide and methane emissions by more than 80 percent by 2040 to produce cleaner energy while keeping it safe, reliable and affordable. DTE Electric and Gas aspire to achieve net zero carbon and greenhouse gas emissions by 2050. DTE is committed to serving with its energy through volunteerism, education and employment initiatives, philanthropy and economic progress. Information about DTE is available at [dteenergy.com](http://dteenergy.com), [empoweringmichigan.com](http://empoweringmichigan.com), [twitter.com/dte\\_energy](https://twitter.com/dte_energy) and [facebook.com](https://facebook.com).

As of Date: 10/27/2020

**Officers & Directors**

Executive Chairman & Advisor To CEO	Gerard M. "Gerry" Anderson
President, CEO & Director	Gerardo "Jerry" Norcia
Senior VP & CFO	David "Dave" Ruud
Chief Investment Officer	Angela Buk
Head of Investor Relations	Barbara Tuckfield

**Industry Details (MI)**

Energy and Utilities
Oil, Gas and Coal
Oil and Gas Refining and Marketing
Oil and Gas Storage and Transportation
Natural Gas Pipelines
Coal and Consumable Fuels
Utilities

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- Electric Utilities
  - Electric Power Generation By Fossil Fuels
  - Electric Power Generation By Nuclear Fuels
  - Electric Power Distribution
- Gas Utilities
  - Oil and Gas Distribution
  - Natural Gas Transmission
- Multi-Utilities**
- Water Utilities
  - Water Supply
  - Waste Water Treatment
- Independent Power Producers and Energy Traders
- Renewable Electricity
  - Hydroelectric Power Generation
  - Electric Power By Wind Energy
  - Alternative Energy Resources
- Materials
  - Chemicals
  - Industrial Gases

**Lines of Business**

LINES OF BUSINESS	STATES OF OPERATION
All States	CA, IL, MI, MN, NC, NY, TX, UT
Electric	CA, IL, MI, MN, NC, TX, UT
<i>Generation</i>	CA, IL, MI, MN, NC, TX, UT
Regulated	CA, MI
IPP/Merchant	CA, IL, MI, MN, NC, TX, UT
<i>Transmission</i>	
<i>Electric Distribution</i>	MI
<i>Electric Retail Sales</i>	MI
Natural Gas	MI, NY
<i>Natural Gas Distribution</i>	MI, NY
<i>Natural Gas Retail Sales</i>	MI

**Supply Chain Intelligence (Last 2 Years)**

Total Shipments	6
Trading Partners: Companies	4
Trading Partners: Countries	4
Products Shipped and Received (kg)	278,194

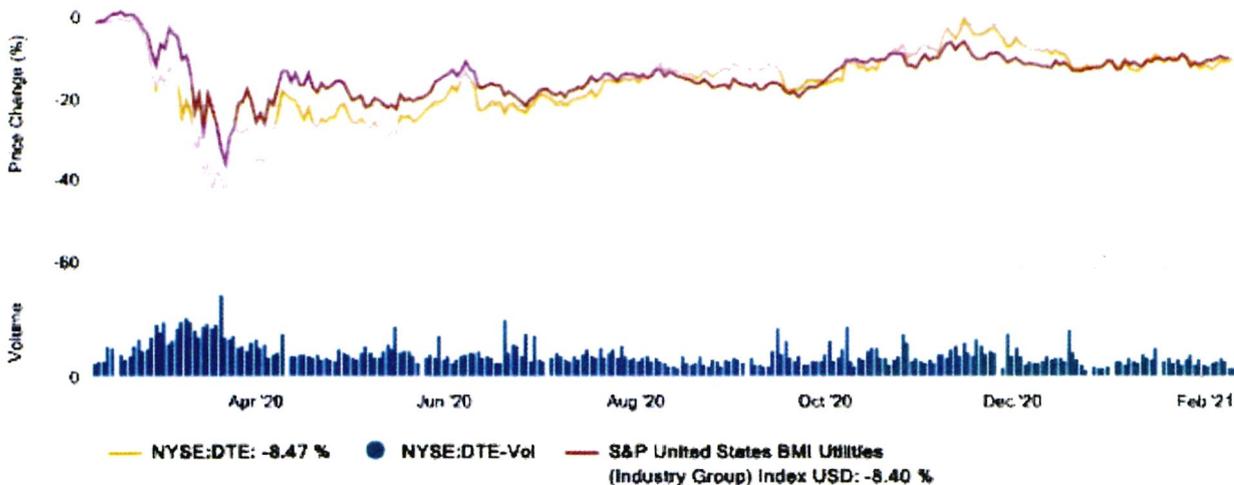
**Market Data**

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**NYSE:DTE \$122.16 0.00% \$0.00**

<b>Last (Delayed)</b>	122.16	<b>Volume</b>	479,200
<b>VWAP (Delayed)</b>	121.94	<b>Avg 3M Daily Volume</b>	1,038,034
<b>Open</b>	122.14	<b>Shares Out.</b>	193,559,593
<b>Previous Close</b>	121.33		(10/27/2020)
<b>Day High</b>	122.68	<b>Day Low</b>	121.18
<b>52 wk High</b>	135.67	<b>52 wk Low</b>	71.21
<b>Beta 3Y</b>	NA	<b>Float (%)</b>	99.27
<b>Market Cap. (\$M)</b>	23,645.2	<b>Inst. Ownership (%)</b>	74.07
<b>Total Enterprise Value (\$M)</b>	42,687.2	<b>Shares Sold Short</b>	1,731,488
		<b>Short Int/ShOut (%)</b>	0.89
		<b>Div. Yield (%)</b>	3.55

**Price Change**



**Multiples**

**Recommended: S&P Capital IQ**

	<b>NYSE:DTE</b>
P/LTM EPS (x)	17.29
P/NTM EPS (x)	17.9
Price/Book (x)	1.92
Price/Tang Book (x)	3.15
TEV/Total Revenue LTM (x)	3.55
TEV/LTM EBITDA (x)	13.26

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**Financial Highlights**

**Recommended: S&P Capital IQ**

Period Ended	9/30/2019	9/30/2020
Total Revenue (\$000)	13,271,000	12,037,000
EBITDA (\$000)	2,565,000	3,029,000
EBIT (\$000)	1,613,000	1,969,000
Net Income (\$000)	1,093,000	1,360,000
Capital Expenditure (\$000)	(3,093,000)	(3,726,000)
Total Assets (\$000)	38,345,000	44,439,000
Total Liabilities (\$000)	27,441,000	31,951,000
Total Equity (\$000)	10,904,000	12,488,000
Cash & Short Term Investments (\$000)	76,000	945,000
Net Debt (\$000)	15,851,000	18,877,000
Book Value per Share (\$)	58.56	63.67
Return on Assets (%)	2.74	2.97
Return on Equity (%)	10.19	11.66

**Estimates**

RECOMMENDATION

1.61 - Outperform



1-Buy

5-Sell

Target (\$): 136.06

# of Analysts: 18

	CURRENT QTR (4Q '20)	CURRENT YEAR ( '20)	NTM
EPS (\$)	1.27	7.03	6.76
Revenue (\$000)	3,179,941.68	13,117,084.20	12,451,441.00
EBITDA (\$000)	816,941.08	3,531,704.85	3,673,703.50

**Credit Ratings**

AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE / LAST REVIEW DATE*	CREDIT WATCH / OUTLOOK	CREDIT WATCH / OUTLOOK DATE
S&P Global Ratings	Issuer Credit Rating (Foreign Currency LT)	BBB+	12/9/2010 / 10/27/2020*	Stable	8/21/2015

\*The date on which an issue or issuer credit rating was last formally reviewed (within a 12 month period) or the last credit rating action date. For certain dependent instruments, the last review date will only be updated in the event of a credit rating change of the linked organization.

**Transactions (Last 5 Transactions)**

TRANSACTION ID	ANNOUNCEMENT DATE	TARGET / ISSUER	SELLER	TYPE	TRANSACTION VALUE (\$M) (MI)	PRIMARY INDUSTRY
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**S&P Global**  
**Market Intelligence**  
**DTE Energy Company | Public Company**

SPTRD1774334	10/27/2020	Midstream business of DTE Energy	DTE Energy Company	Spinoff or Splitoff	NA Oil and Gas Storage and Transportation
SPTRO2213562	9/29/2020	DTE Energy Company	NA	Non-convertible Debt	750.00 Multi-Utilities
SPTRO2210988	9/22/2020	DTE Energy Company	NA	Non-convertible Debt	230.00 Multi-Utilities
SPTRO2186552	8/3/2020	DTE Energy Company	NA	Non-convertible Debt	800.00 Multi-Utilities
SPTRO1809341	10/28/2019	DTE Energy Company	NA	Follow-on	1,300.00 Multi-Utilities

**Latest Activity**

**News**

- RRA RRA Regulatory Focus: Utility sector progressing on gender diversity, but experts say more work needed - 2 days ago
- RRA RRA Regulatory Focus: Utility regulators tackle blitz of non-rate case activity - 2 days ago
- RRA RRA Regulatory Focus: Commissioner developments, rate case activity dominate January regulatory sector - 6 days ago
- RRA RRA Regulatory Focus: Energy measures put on back burner in 2020 as over 600 bills failed to advance - 7 days ago
- RRA RRA Regulatory Focus: Energy authorized returns fall to all-time low under pandemic's weight - 8 days ago

**Documents and Transcripts**

10-Q 10/27/2020

Investor Presentation (IP)	1/15/2021
10-Q	10/27/2020
Transcript (Audio Transcript)	10/27/2020
Transcript (Earnings Call)	10/27/2020
Investor Presentation (EP)	10/27/2020
Earnings Release (ER)	10/27/2020
Transcript (Shareholder or Analyst Call)	5/7/2020
Proxy (DEFA14A)	3/24/2020
Proxy (DEF 14A)	3/12/2020

**Key Developments**

DTE Energy Company Presents at GreenBiz 21, Feb-09-2021	Company Conference Presentation	2/9/2021
GreenBiz Group Inc., GreenBiz 21, Feb 09, 2021 through Feb 11, 2021	Conference	2/9/2021
DTE Energy Partners with Manufacturers and Dealership to Deploy Electric Buses to Schools	Client Announcement	2/2/2021
DTE Gas Launches First-Of-Its-Kind Program Allowing Residential and Small Business Gas Customers to Reduce Their Carbon Footprint	Product-related Announcement	1/26/2021
DTE Energy Company, \$ 1.085, Cash Dividend, Dec-18-2020	Ex-Dividend Date, Regular	12/18/2020

**Events**

**Upcoming Events**

Earnings Release Date		2/18/2021
Earnings Call	Phone: (833) 968-2209 Code: 3974206	2/19/2021
Ex-Dividend Date, Regular		3/12/2021

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**Recent Events**

Company Conference Presentation	2/9/2021
Ex-Dividend Date, Regular	12/18/2020
Company Conference Presentation	12/8/2020

**RRA Research Reports**

**Regulatory Focus**

- RRA Research Notes
- Rate Case History
- Commission Profiles

**Options, Warrants and SARs**

	SHARES	HIGH STRIKE PRICE (\$)	LOW STRIKE PRICE (\$)	WTD STRIKE PRICE (\$) AS OF
Options Outstanding	52,100	45.00	27.00	43.30 12/31/2019

S&P Credit Ratings and Research provided by **S&P Global**  
Ratings

Branches are sourced from disclosed branch addresses which in aggregate may differ from totals reported in financial statements and other company documents.

States of operation are included for U.S. companies actively covered in the S&P Global Market Intelligence platform and with the following operations: generation (regulated or merchant), electric distribution, electric retail sales, natural gas distribution, natural gas retail sales, coal mining, coal processing, or coal sales. Lines of business details are available for electric transmission and Canadian generation. Coverage may not be inclusive of the institution's complete organizational structure and lines of business.

Intraday data is available for certain exchanges. In all cases, the data is at least 15 minutes delayed.

Historical Equity Pricing Data supplied by Interactive Data Pricing and Reference Data LLC



NYSE:DTE, BOVESPA:D1TE34 (MI KEY: 4057044; SPCIQ KEY: 266598)

# BBB+

## S&P Global Ratings

Issuer Credit Rating (Foreign Currency LT)

12/9/2010

Outlook: Stable

8/21/2015

### Current Ratings

S&P GLOBAL RATINGS (S&P Entity Name:DTE Energy Co.)

RATING TYPE	RATING	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	ACTION	CREDITWATCH/ OUTLOOK	CREDITWATCH/ OUTLOOK DATE
<b>Issuer Credit Rating</b>							
Local Currency LT	BBB+	12/9/2010	10/27/2020	BBB+	CreditWatch/Outlook	Stable	8/21/2015
Local Currency ST	A-2	1/15/2010	10/27/2020	A-3	Upgrade		
Foreign Currency LT	BBB+	12/9/2010	10/27/2020	BBB+	CreditWatch/Outlook	Stable	8/21/2015
Foreign Currency ST	A-2	1/15/2010	10/27/2020	A-3	Upgrade		

### Subsidiaries

SUBSIDIARY	AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE	LAST REVIEW DATE	PREVIOUS RATING	CREDITWATCH / OUTLOOK	CREDITWATCH / OUTLOOK DATE
DTE Electric Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	8/27/2019	10/27/2020	BBB+	Stable	8/27/2019
DTE Enterprises Inc.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	4/16/2004		BBB+	NR	4/16/2004
DTE Gas Co.	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	A-	8/27/2019	10/27/2020	BBB+	Stable	8/27/2019
Energy and Industrial Utilities Company LLC	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	2/19/2008		BB-	NR	2/19/2008
Stonewall Gas Gathering LLC	S&P Global Ratings	Issuer Credit Rating (Local Currency LT)	NR	1/5/2017		BB-	NR	1/5/2017

### Market Intelligence News

HEADLINE	DATE
Power and utility companies are "proactively looking at their business and figuring out ways that they can be more disciplined and get rid of noncore businesses," said Miles Huq, Ernst & Young LLP partner for strategy and transactions. Surge in US utility deal activity to continue at steady pace – Ernst & Young	11/25/2020 8:09:00 AM CT
Warm weather, residential power sales help utilities offset demand declines While major questions about public health and the strength of the economy loom over the second half of 2020, even those utilities that experienced large demand declines in April saw power sales improve in subsequent months.	8/4/2020 11:06:00 AM CT
Fitch cuts DTE's rating on midstream risk Fitch Ratings on April 15 lowered DTE Energy's long-term issuer default rating to BBB from BBB+.	4/16/2020 9:14:00 AM CT
Customer mix, regulatory support critical to how US utilities manage demand drop Dominion Energy and Entergy are among the US utilities that look "relatively insulated" from a drop in reduced commercial and industrial demand, according to Scotia Capital (USA) Inc. analyst Andrew Weisel.	4/2/2020 3:45:00 PM CT
As uncertainty grows about the global impact of the new coronavirus, U.S. utility stocks' high quality and defensiveness appear to position them favorably compared to other industries, Scotia Capital (USA) equity analyst Andrew Weisel said. Coronavirus could benefit US utility stocks, analyst says	2/27/2020 9:23:00 AM CT

S&P Credit Ratings and Research provided by **S&P Global Ratings**

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**S&P Global**  
Market Intelligence  
DTE Energy Company | Credit Ratings

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Latest S&P Ratings available unless you are a subscriber of S&P Ratings history.

NYSE:ETR, BOVESPA:E1TR34 (MI Key: 4007889; SPCIQ Key: 269764)

A live transcript feed will be available for Q4 Earnings Conference Call

**Corporate Data**

**Company Data**

Status	Operating
Primary Industry (MI)	Electric Utilities
LEI	4XM3TW50JULSLG88NC79
Power Plants	40
SIC Code	4911

**Contact**

<b>Headquarters</b>	639 Loyola Avenue New Orleans, LA 70113 USA
<b>Phone</b>	(504) 576-4000
<b>Web Address</b>	www.entergy.com

**Company Description**

Entergy Corporation is an integrated energy company engaged primarily in electric power production and retail distribution operations. Entergy owns and operates power plants with approximately 30,000 megawatts of electric generating capacity, including 8,000 megawatts of nuclear power. Entergy delivers electricity to 2.9 million utility customers in Arkansas, Louisiana, Mississippi, and Texas. Entergy has annual revenues of \$11 billion and approximately 13,600 employees.

As of Date: 10/28/2020

**Officers & Directors**

Chairman & CEO	Leo P. Denault
Executive VP & CFO	Andrew S. "Drew" Marsh
Executive VP & COO	Paul D. Hinnenkamp
Senior VP & Chief Accounting Officer	Kimberly A. Fontan
Head of Investor Relations	David Borde

**Industry Details (MI)**

Energy and Utilities

Utilities

**Electric Utilities**

- Electric Power Generation By Fossil Fuels
- Electric Power Generation By Nuclear Fuels
- Electric Power Transmission and Control
- Electric Power Distribution

Gas Utilities

- Oil and Gas Distribution

**S&P Global**  
**Market Intelligence**  
**Entergy Corporation | Public Company**

Natural Gas Transmission

Renewable Electricity

Hydroelectric Power Generation

Electric Power By Solar Energy

**Lines of Business**

LINES OF BUSINESS	STATES OF OPERATION
All States	AR, LA, MI, MS, NY, TN, TX
Electric	AR, LA, MI, MS, NY, TN, TX
<i>Generation</i>	AR, LA, MI, MS, NY, TX
Regulated	AR, LA, MS, TX
IPP/Merchant	AR, LA, MI, MS, NY
<i>Transmission</i>	
<i>Electric Distribution</i>	AR, LA, MS, TN, TX
<i>Electric Retail Sales</i>	AR, LA, MS, TN, TX
Natural Gas	LA
<i>Natural Gas Distribution</i>	LA
<i>Natural Gas Retail Sales</i>	LA

**Market Data**

**NYSE:ETR \$96.01 1.06% \$1.01**

Last (Delayed)	96.01	Volume	1,247,189
VWAP (Delayed)	95.93	Avg 3M Daily Volume	1,373,739
Open	95.77	Shares Out.	200,232,522
Previous Close	95.00		(11/4/2020)
Day High	96.41	Day Low	94.85
52 wk High	135.55	52 wk Low	75.20
Beta 3Y	NA	Float (%)	99.60
Market Cap. (\$M)	19,224.3	Inst. Ownership (%)	87.17
Total Enterprise Value (\$M)	40,300.0	Shares Sold Short	2,143,491
		Short Int/ShOut (%)	1.07
		Div. Yield (%)	3.96

**Price Change**

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**Multiples**

**Recommended: S&P Capital IQ**

	NYSE:ETR
P/LTM EPS (x)	13.93
P/NTM EPS (x)	16.0
Price/Book (x)	1.78
Price/Tang Book (x)	1.85
TEV/Total Revenue LTM (x)	3.95
TEV/LTM EBITDA (x)	10.66
Total Debt/EBITDA (x)	5.84

**Financial Highlights**

**Recommended: S&P Capital IQ**

Period Ended	9/30/2019	9/30/2020
Total Revenue (\$000)	10,928,849	10,205,840
EBITDA (\$000)	3,217,960	3,779,661
EBIT (\$000)	1,471,303	1,913,617
Net Income (\$000)	790,302	1,385,391
Capital Expenditure (\$000)	(4,206,020)	(4,748,947)
Total Assets (\$000)	50,506,268	56,070,251
Total Liabilities (\$000)	40,216,796	45,044,002
Total Equity (\$000)	10,289,472	11,026,249
Cash & Short Term Investments (\$000)	955,831	1,239,664
Net Debt (\$000)	18,721,469	20,821,220
Book Value per Share (\$)	50.41	53.80

Return on Assets (%)	1.86	2.24
Return on Equity (%)	8.36	13.00

### Estimates

#### RECOMMENDATION

1.61 - Outperform



1-Buy

5-Sell

Target: \$ 113.35

# of Analysts 17

	CURRENT QTR (4Q '20)	CURRENT YEAR ( '20)	NTM
EPS (\$)	0.62	5.63	5.92
Revenue (\$000)	2,951,602.11	10,562,021.22	11,313,392.30
EBITDA (\$000)	842,358.20	3,679,422.76	4,108,040.40

### Credit Ratings

AGENCY	DEBT TYPE (RATING TYPE)	RATING	RATING DATE / LAST REVIEW DATE*	CREDIT WATCH / OUTLOOK	CREDIT WATCH / OUTLOOK DATE
S&P Global Ratings	Issuer Credit Rating (Foreign Currency LT)	BBB+	8/4/2016 / 10/2/2020*	Stable	5/3/2018

\*The date on which an issue or issuer credit rating was last formally reviewed (within a 12 month period) or the last credit rating action date. For certain dependent instruments, the last review date will only be updated in the event of a credit rating change of the linked organization.

### Transactions (Last 5 Transactions)

TRANSACTION ID	ANNOUNCEMENT DATE	TARGET / ISSUER	BUYER / INVESTOR	SELLER	TYPE	TRANSACTION VALUE (\$M)	PRIMARY INDUSTRY (MI)
SPTR02277922	1/11/2021	Entergy Corporation	NA	NA	Follow-on	1,000.00	Electric Utilities
SPTR02274253	12/30/2020	Entergy Corporation	NA	NA	Single Security	290.22	Electric Utilities
SPTR02201578	8/24/2020	Entergy Corporation	NA	NA	Non-convertible Debt	800.00	Electric Utilities
SPTRD1762684	8/17/2020	Walnut Bend Solar project	Entergy Corporation	Invenergy LLC	Acquisition of Asset or Branch		NA Renewable Electricity
SPTRD1762132	8/3/2020	146 MW Hardin County Peaking Facility	Entergy Corporation	East Texas Electric Cooperative, Inc.	Acquisition of Asset or Branch	41.30	Electric Utilities

### Latest Activity

#### News

RRA RRA Regulatory Focus: Louisiana PSC elects new leadership - 39 minutes ago

Entergy plans solicitation for 200 MW of solar resources in Texas - 1 day ago

RRA RRA Regulatory Focus: Utility sector progressing on gender diversity, but experts say more work needed - 2 days ago

RRA RRA Regulatory Focus: Utility regulators tackle blitz of non-rate case activity - 2 days ago

EXTRA Hires and Fires: FERC appoints chief of staff, general counsel; Siemens Energy to cut 7,800 jobs - 5 days ago

## Documents and Transcripts

10-K 2/21/2020	10-Q 11/4/2020
10-Q	11/4/2020
Transcript (Audio Transcript)	10/28/2020
Transcript (Earnings Call)	10/28/2020
Investor Presentation (EP)	10/28/2020
Earnings Release (ER)	10/28/2020
Transcript (Analyst or Investor Day)	9/24/2020
Investor Presentation (IP)	9/23/2020
Transcript (Shareholder or Analyst Call)	5/8/2020
Proxy (DEFA14A)	4/23/2020
Proxy (DEF 14A)	3/27/2020

## Key Developments

Entergy Texas, Inc.'s Montgomery County Power Station Enters Commercial Operation with Mitsubishi Power Technology	Business Expansion	1/21/2021
Entergy Corporation Appoints Marlon Merritt as Chief Supply Officer	Other Executive or Board Change	1/12/2021
Entergy Corporation Presents at UBS Winter Infrastructure & Energy Virtual Conference, Jan-12-2021	Company Conference Presentation	1/12/2021
UBS Investment Bank, UBS Winter Infrastructure & Energy Virtual Conference, Jan 12, 2021 through Jan 13, 2021	Conference	1/12/2021
Entergy Corporation has filed a Follow-on Equity Offering in the amount of \$1 billion.	Follow-on Equity Offering	1/11/2021

## Events

### Upcoming Events

Ex-Dividend Date, Regular		2/11/2021
Earnings Call	Phone: (844) 309-6569 Code: 6726389	2/24/2021

### Recent Events

Company Conference Presentation		1/12/2021
Company Conference Presentation		12/8/2020
Ex-Dividend Date, Regular		11/10/2020

### RRA Research Reports

## Regulatory Focus

- RRA Research Notes
- Rate Case History
- Commission Profiles